

Frequently Asked Questions Regarding NRS 353C.1965 (Senate Bill 21, 2013 Legislative Session)

General Questions:

Q: What is the purpose of NRS 353C.1965?

A: Section 4 of Senate Bill 21, codified at NRS 353C.1965, provides the Controller's Office with another effective tool to collect debts that are owed to the State by persons who hold professional and occupational licenses.

In order for the Controller to determine whether a licensee owes a debt to the State, licensing agencies are asked to provide a list of their licensees to the Controller's Office. The statute further authorizes licensing agencies to deny a license renewal application of a licensee that owes a debt to the State if the licensee refuses to satisfy the debt or defaults on a payment plan after notification, hearing and settlement opportunities are exhausted.

NRS 353C.1965 also requires licensing agencies to collect State business license information and provide it to the Controller's Office as part of the list of licensees. The Controller will coordinate with the Secretary of State to verify the business license information. The business license information is collected to determine compliance with the State business license requirements contained in NRS Chapter 76. This information is not related to whether a licensee owes a debt to the State.

Q: When does the Controller's Office plan to implement NRS 353C.1965?

A: The law was effective on January 1, 2014. Implementation began in January and the first State Professional and Occupational Licensee Reports are due on August 1, 2014, for licensing agencies with a license renewal period of January 1, 2014, through June 30, 2014.

Q: What is the definition of a license for purposes of NRS 353C.1965?

A: NRS 353C.1965(10) defines a license as any license, certification, registration, permit or other authorization that grants a person the authority to engage in a profession or occupation in this State.

Q: What is the definition of a licensee for purposes of NRS 353C.1965?

A: NRS 353C.1965(10) defines a licensee as a person to whom a license has been issued. NRS 353C.1965 applies to licensees who are individuals or entities, depending on how the license is issued by each licensing agency.

Q: What is the definition of a licensing agency for purposes of NRS 353C.1965?

A: Under NRS 353C.1965(10), licensing agency means any agency, board or commission that regulates an occupation or profession. The definition specifically exempts the following State agencies from the provisions of NRS 353C.1965: Department of Motor Vehicles, Division of Insurance of the Department of Business and Industry, and the Commissioner of Insurance. Additionally, the definition exempts any local government from these provisions.

Questions Regarding Reporting by Licensing Agencies:

Q: Is there a specific format for a licensing agency to submit the licensee information required by NRS 353C.1965(2) to the Controller's Office?

A: The Controller's Office created the State Professional and Occupational Licensee Report template for all licensing agencies to use to submit the licensee information required by NRS 353C.1965. The State Professional and Occupational Licensee Report template is an Excel spreadsheet and is available on the Controller's Office website at: <http://scointranet.nv.gov/services/debt-collection>.

Q: What information is a licensing agency required to submit to the Controller's Office on the State Professional and Occupational Licensee Report under NRS 353C.1965?

A: NRS 353C.1965 requires a licensing agency to provide a list of its licensees to the Controller and the information about each licensee required to be submitted on the State Professional and Occupational Licensee Report is as follows:

- If the license is issued to an individual, the information on the licensee report must include the licensee's full name, address, social security number, and Nevada business license number, if the licensee has a business license.
- If the license is issued to a business entity, the information on the licensee report must include the business name, address, employer identification number, and Nevada business license number, if the licensee has a business license.

Q: When is a licensing agency required to submit the State Professional and Occupational Licensee Report to the Controller's Office?

A: For licenses that are renewed from January 1 through June 30 of the current calendar year, the State Professional and Occupational Licensee Report must be submitted to the Controller by August 1. For licenses that are renewed from July 1 through December 31 of the previous calendar year, the State Professional and Occupational Licensee Report must be submitted to the Controller by February 1. Based on the effective date of the legislation, the initial list will be submitted by August 1, 2014. Some licensing agencies may have to submit their licensee reports twice each year depending on the license renewal schedule.

Q: What is the process for a licensing agency to submit the State Professional and Occupational Licensee Report to the Controller's Office?

A: Licensing agencies will need to submit the State Professional and Occupational Licensee Report using the secured server KTLDrop. Specific instructions for this process may be obtained by contacting the Controller's Office.

Q: If there is a security breach in the system, is a licensing agency subject to liability for transmitting personal information to the Controller's Office?

A: In accordance with NRS 353C.1965(7), a licensing agency may not be held liable in any civil action for transmitting the licensee information in good faith to comply with the provisions of the statute.

Q: After a licensing agency submits the State Professional and Occupational Licensee Report to the Controller's Office, what other responsibilities does the licensing agency have?

A: Unless the Controller notifies a licensing agency that a licensee failed to satisfy a debt and the licensing agency must deny the license renewal for that licensee, no additional action is necessary until the next State Professional and Occupational Licensee Report is due to be submitted to the Controller's Office.

Questions Regarding Licensees Who Owe a Debt to the State:

Q: For purposes of NRS 353C.1965, what type of debt may be considered by the Controller that could subject a professional or occupational license renewal to be denied?

A: NRS 353C.1965 applies to debts that have been assigned to the State Controller for collection pursuant to NRS 353C.195. Typically, these are debts owed to any State agency but may also include debts owed to other governmental entities in the State if the debt was assigned to the State Controller for collection.

Q: How will a licensee know he or she has an outstanding debt with the Controller's Office?

A: In accordance with NRS 353C.1965(4), the Controller's Office will send written notice to a licensee who owes a debt to the State. The notice will be sent by certified mail and will include the amount of the debt, information to make payment, information to dispute the debt, and notification that the licensing agency is prohibited from renewing the license of the licensee for failure to satisfy the debt. A licensee has 30 days to respond to the notice.

Q: If a licensee disputes the debt that is the subject of the notice sent by the Controller's Office, what should the licensee do?

A: The licensee may submit a written request for a hearing with the Controller within 30 days after the date on which the notice of debt was sent by the Controller. The Controller's Office is proposing regulations to provide additional guidance for this process.

Q: Who is responsible to organize and conduct a hearing to determine the validity of the debt if requested by a licensee?

A: The Controller's Office is responsible for the hearing process to determine if the debt is valid. The Controller's Office is proposing regulations to outline the hearing process.

Q: If a licensee requests a hearing, will someone from the licensing agency need to attend the hearing?

A: It depends. A representative from the agency to which the debt is owed should attend the hearing to provide evidence regarding the existence and amount of the debt. If the debt is owed to the licensing agency, a representative for the licensing agency should attend the hearing.

Q: If a licensee is found to owe a debt, when will the Controller's Office notify the licensing agency so it can take further action?

A: The licensee must respond to the notice of debt within 30 days from the date the notice was sent by the Controller's Office. The Controller will only notify the licensing agency if the licensee fails to respond to the notice, refuses to pay the debt in full or on a payment plan, or defaults on a payment

plan. After receipt of a notice from the Controller regarding a licensee, a licensing agency is prohibited from renewing the license of the licensee the next time it comes up for renewal pursuant to NRS 353C.1965(5). The Controller's Office is proposing regulations to provide additional guidance for this process.

Q: Will a licensing agency need to revoke a license if the licensee owes a debt to the State and the licensee refuses to satisfy the debt?

A: If a licensee fails to satisfy the debt, a licensing agency is authorized by NRS 353C.1965(5) and the statute for each particular licensing agency to deny the license renewal in accordance with the established administrative procedures of the licensing agency. The Controller's Office is proposing regulations to provide additional guidance for this process. A chart that identifies the statute for each licensing agency, as codified from Senate Bill 21, is provided on the Controller's website:

<http://scointranet.nv.gov/services/debt-collection>.

Questions Regarding the State Business License Requirements:

Q: What is a State business license?

A: NRS Chapter 76 requires that every person or entity doing business in the State of Nevada obtain a State business license annually from the Nevada Secretary of State. However, certain businesses may be exempt from the State business license requirement. The guidelines regarding the Nevada business license requirements are found on the Nevada Secretary of State's website at:

<http://nvsos.gov/index.aspx?page=267> or by calling 775.684.5708.

Q: Is there a specific format licensing agencies should use to ask their licensees to report whether they have a State business license?

A: The Controller's Office created the Report of Existence of Nevada Business License template as a guide for licensing agencies to use to ask their licensees whether or not they have a State business license issued by the Nevada Secretary of State. The report also asks for the license number if the licensee has a business license. The Report of Existence of Nevada Business License template is a Word document and is available on the Controller's Office website at:

<http://scointranet.nv.gov/services/debt-collection>.

Q: If a licensee does not have a State business license, is the licensing agency required to provide the name of the licensee to the Controller's Office?

A: Yes, all licensees licensed by the licensing agency should be reported on the State Professional and Occupational Licensee Report and submitted to the Controller's Office in accordance with NRS 353C.1965(2) regardless of whether the licensee has a State business license. If the licensee does not have a business license, the field for the business license number on the State Professional and Occupational Licensee Report will be left blank. Remember, the business license information is just one component of the State Professional and Occupational Licensee Report containing the names of all licensees that must be submitted by a licensing agency.

Q: Are licensing agencies responsible for determining if a licensee is required to have a business license?

A: No, a licensing agency is only required to request that its licensees respond to the Report of Existence of Nevada Business License and report that information as follows:

- If the licensee has a business license, the licensing agency is required to provide that information to the Controller's Office on the State Professional and Occupational Licensee Report.
- If the licensee does not have a business license, the field for the business license number on the State Professional and Occupational Licensee Report will be left blank.

Q: Is it mandatory for licensees to respond to the Report of Existence of Nevada Business License?

A: Yes, responding the Report of Existence of Nevada Business License is a mandatory license renewal requirement set forth in the statutes of each licensing agency.

Q: If a licensing agency knows that its applicants are not required to have a State business license, does the licensing agency need to ask its licensees to respond to the Report of Existence of Nevada Business License?

A: Yes, responding to the Report of Existence of Nevada Business License is a mandatory license renewal requirement set forth in the statutes of each licensing agency. If the licensee does not have a business license, the field for the business license number on the State Professional and Occupational Licensee Report will be left blank.

Q: Do all individuals or entities with a professional or occupational license need a State business license?

A: Not necessarily. The guidelines regarding the State business license requirements are found on the Nevada Secretary of State's website at: <http://nvsos.gov/index.aspx?page=267> or by calling 775.684.5708.

Q: Do independent contractors need to have a State business license?

A: It depends. The guidelines regarding the Nevada business license requirements are found on the Nevada Secretary of State's website at: <http://nvsos.gov/index.aspx?page=267> or by calling 775.684.5708.

Q: What if a licensee does not know if he or she needs a State business license?

A: Licensees are encouraged to seek information about the Nevada business license requirements on the Secretary of State's website at: <http://nvsos.gov/index.aspx?page=267> or by calling 775.684.5708.

The Report of Existence of Nevada Business License question template created by the Controller's Office includes a disclaimer indicating that the licensing agency is not responsible for determining whether the licensee needs a business license and encourages licensees to seek guidance from the Nevada Secretary of State. It is recommended that licensing agencies include this disclaimer on the Report of Existence of Nevada Business License so that a licensee has the appropriate information from the appropriate resource, the Secretary of State's Office, to determine whether he or she is required to have a State business license.

Q: What business license number should be listed on the State Professional and Occupational Licensee Report?

A: Only the State business license issued by the Nevada Secretary of State should be listed. Business licenses from local governments and municipalities should not be included since they are excluded from the provisions of NRS 353C.1965.

Q: What if a licensee has applied for a Nevada business license but has not yet received the license?

A: This was addressed by adding another option to the Report of Existence of Nevada Business License question template created by the Controller's Office. A licensee may indicate: "I have applied for a Nevada business license with the Nevada Secretary of State upon compliance with the provisions of NRS Chapter 76 and my application is pending."

Q: If a licensee has a State business license that is in the name of a corporation or trust, should the licensee report that as the business license information?

A: Only business license information that is in the name of the licensee should be provided.

Q: If a licensee has a State business license under a different name, is that required to be included in the State Professional and Occupational Licensee Report provided to the Controller's Office?

A: No, only business license information that is in the name of the licensee should be provided.

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