

Nevada's 82nd Session: Where Credit Unions Stand



The 82nd session of the Nevada Legislature ended on June 5, 2023, with two special sessions following in the days immediately after. There were almost 1,100 measures introduced over the course of the 120-day session. 611 bills passed both houses. Governor Joe Lombardo signed 536 bills and vetoed a record breaking 75.

Democratic majorities in both houses (with a super majority in Assembly), a first term/first session Republican governor, and an unprecedented budget surplus led to interesting dynamics and negotiations, especially in the final days of session.

The new Republican governor brought a new landscape to state politics. The democrat-led legislature would need to work to gain the Republican Governor's support, a change from two sessions prior under Democrat Governor Steve Sisolak. The Nevada Credit Union League (NCUL) always maintains strong relationships on both sides of the political aisle; however, there was at least one priority of Governor Sisolak's Administration that NCUL opposed; the expansion of PACE to residential properties. In 2023, that issue was avoided.

Following his inauguration, Governor Lombardo announced that he would reduce regulations, and he issued executive orders asking his agencies and licensing boards to eliminate unnecessary and burdensome regulations. NCUL has a strong relationship with the Financial Institutions Division and is well-positioned to ensure that any regulatory changes positively impact credit unions.

This report contains an overview of actions the League and the Ferrari Reeder team took to protect and promote the interests of the industry. Bill topics include financial literacy, data privacy, financial abuse of senior citizens, and many others. During the 120-day session, NCUL remained in constant communication with the Government Relations Committee to discuss contents of legislation and strategize on how to address challenges, and to support positive measures. As you will see in the following report, these efforts proved successful for NCUL.

SUMMARY OF RELEVANT LEGISLATION

[Assembly Bill 21](#)

Passed – Revises provisions related to persons engaged in the transmission of money and certain related activities.

Passage Details: Assembly 28-14; Senate 21-0; Signed into law by Governor Lombardo.

Effective: July 1, 2023

Summary: AB21 enacts the [Model Money Transmission Modernization Act](#) from the Conference of State Bank Supervisors. The law establishes a uniform framework for money transmission activities which are defined as: (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. The bill revised Nevada's existing statutes to ensure money transmission activities are regulated in a manner consistent with the substantial advancements in technology since money transmission laws were first enacted. Additionally, the bill includes additional language for the Commissioner of Financial Institutions to utilize the Nationwide Multistate Licensing System and Registry. The bill was widely supported by financial institutions and FinTech companies. Credit unions, among other financial institutions, are exempt from the provisions of the bill.

[Assembly Bill 274](#)

Passed – Revises provisions governing required instruction in financial literacy.

Passage Details: Assembly 40-0; Senate 20-0; Signed into law by Governor Lombardo.

Effective: May 24, 2023 (regulations); July 1, 2028 (all other purposes)

Summary: AB274 enhances financial literacy in schools by requiring that 0.5 units of economics instruction include financial literacy. NCUL testified in support of the bill, providing a brief overview of credit union members and their ongoing commitment to financial literacy.

Because of NCUL's strong support and commitment to financial literacy, the bill sponsor, Assemblyman Duy Nyguen (D-Las Vegas), invited NCUL members to attend the bill signing with Governor Joe Lombardo. Danny DeLaRosa, Michael Thomas, and Michael Hale of Greater Nevada Credit Union attended the ceremony.

[Assembly Bill 284](#)

Failed – Authorizes the business of a mortgage company to be conducted from a remote location under certain circumstances.

Passage Details: Assembly 42-0; Never received a vote in the Senate.

Summary: AB284 was amended into SB355 (discussed further in this report). The bill (now SB355) authorizes an employee of a mortgage company, including, without limitation, a mortgage loan originator employed by, or associated with, the mortgage company, to conduct the business of the mortgage company at a remote location if authorized by the mortgage company. NCUL had no position on this bill.

[Assembly Bill 290](#)

Passed – Revises provisions governing motor vehicles.

Passage Details: Assembly 42-0; Senate 21-0; Signed into law by Governor Lombardo.

Effective: October 1, 2023

Summary: Assemblywoman Brown-May introduced AB290 on behalf of Carvana, an e-commerce vehicle purchasing platform. The bill authorizes, under certain circumstances, a dealer and purchaser to enter into a written return agreement to cancel a vehicle sale. The dealer then has the obligation to return to the purchaser, or secured party, all taxes and fees that were collected at the time of sale. NCUL successfully worked with the bill sponsor to establish a 15-day deadline by which funds would need to be returned to the third-party lender in the event of a canceled sale. Additionally, if the dealer and purchaser enter into such an agreement, the dealer is authorized to request an expedited certificate of title from the DMV. NCUL will monitor all regulatory activity by the DMV in relation to this bill and provide details to members.

[Assembly Bill 320](#)

Failed – Establishes provisions relating to Internet privacy.

Passage Details: Never heard by Assembly Commerce and Labor; Failed First House Committee Passage deadline.

Summary: AB320 would have required any business who provides online services, websites, or other points that are likely to be accessed by children to produce an assessment of the data it gathers from children, the services it offers that are accessed by children, and how those things could harm a child. NCUL and the Nevada Bankers Association were concerned with how broadly the bill would have applied. Proponents were unwilling to accept an amendment exempting financial institutions. For this reason, and because of broad opposition from the business community, the bill failed.

Assembly Bill 332

Passed – Revises provisions relating to student education loans.

Passage Details: Assembly 29-13; Senate 17-4; Signed into law by Governor Lombardo.

Effective: January 1, 2024

Summary: AB332 establishes a licensing and regulatory structure for student loan services, private education loans, and private education lenders under the Division of Financial Institutions. Additionally, the bill creates protections for student loan borrowers that include mandated disclosures, methods to remove co-signers, and rescind loans under certain circumstances.

Bill proponents, which included university student groups and a national organization called the [Student Borrower Protection Center](#), wanted to include banks and credit unions in the definition of private education lenders –which would have resulted in additional licensing and other requirements for any credit unions providing members access to education loans. NCUL testified in the Assembly Commerce and Labor Committee, stating concerns that the bill would result in credit unions being unable to offer education lending products to customers. NCUL worked with FID and the bill sponsor, and after several discussions, credit unions remained exempt.

Assembly Bill 392

Failed – Makes various changes relating to property.

Passage Details: Amended into SB355 (discussed later in the report).

Summary: SB392 would ban long-term brokerage agreements, known as “Non-Title Recorded Agreements for Personal Services” (“NTRAPS”), which are agreements where a service provider offers nominal upfront compensation in exchange for a long-term (upwards of 40 years) listing agreement.

Specifically, the bill would have: (1) deemed NTRAPS unenforceable; (2) prohibited the recording of NTRAPS in property records; (3) established penalties for violations of the prohibition of recording NTRAPS in property records; (4) established a process for previously recorded NTRAPS in property records to be removed and allowed for the recovery of any damages associated with the recording; and (5) declared the act of a service provider entering into or recording an NTRAPS as a deceptive trade practice under the Nevada Deceptive Trade Practices Act.

These types of agreements have forced homeowners, often unknowingly, to use the brokerage firm’s listing service or pay a 3% penalty on their property value. Failure to pay can result in a lien on the home. Additionally, these agreements are recorded in property records as covenants and encumbrances on the title to homes, and remain with the property even upon transfer, which adds cost and creates complexity and barriers to transferring or financing the property.

NCUL supported the bill, as NTRAPS have created problems for homeowners and homebuyers nationally, and the bill would help to prevent similar issues in Nevada.

Assembly Bill 439

Vetoed – Revises provisions governing certain contracts of insurance.

Passage Details: Assembly 42-0; Senate 14-6; Vetoed by Governor Lombardo.

Effective: N/A

Summary: AB439 was requested by the Nevada Justice Association (Trial Bar). The bill would have prohibited the inclusion of mandated arbitration agreements in life and gap insurance contracts.

NCUL worked with the trial bar and successfully amended the bill to exclude life, credit life and GAP insurance policies, which was a big win for NCUL. The final bill only impacted certain health insurance contracts; however, it was vetoed by the Governor.

[Assembly Bill 513](#)

Failed – Eliminates the program of foreclosure mediation.

Passage Details: Never heard by Assembly Ways and Means.

Summary: AB513 would have repealed the foreclosure mediation program. While the removal of the foreclosure mediation program was not a concern, NCUL had concerns with what would occur during foreclosure negotiation without the Supreme Court administering the process, and without a mediator to record timelines and examine the foreclosure prevention alternative. The application for foreclosure prevention alternative would remain in statute, but administering the process would be left up to the borrower and the servicer, beneficiary of the deed of trust, mortgagee, or authorized agent. Members expressed concern that this would lead to disputes, lawsuits, and delays in the process. NCUL communicated these concerns to the Chair of the Ways and Means Committee. Ultimately, the bill did not receive a hearing and failed.

[Senate Bill 276](#)

Passed – Revises provisions related to collection agencies.

Passage Details: Assembly 42-0; Senate 20-0; Signed into law by Governor Lombardo.

Effective: October 1, 2023

Summary: SB276 was requested by Senator Roberta Lange on behalf of the Receivables Management Association International (RMAI). The bill creates a licensing and regulatory framework for debt buyers. The debt buyer's industry sought the bill following legislation in 2021 that would have placed much stricter requirements on collectors of debt, including in-house collections performed by credit unions. In addition to licensing debt buyers, the bill clarifies that credit unions are exempt from laws governing collection agencies in the same way that banks are exempt.

[Senate Bill 346](#)

Passed – Revises provisions relating to motor vehicles.

Passage Details: Senate 21-0; Assembly 42-0; Signed into law by Governor Lombardo.

Effective: June 9, 2023 (regulations); January 1, 2024 (most other provisions); the remaining provisions will be effective upon notification from the DMV that they will be able to comply with the provisions related to electronic submission of certain documents.

Summary: SB346 makes numerous changes to the Department of Motor Vehicles, and motor vehicles in general. The bill allows for additional services to be conducted electronically by the DMV, including: (1) transmission, recording, and issuances of certificates of title and registration; (2) transmission and recording of applications for a driver's license; (3) electronic transmission citations, collisions, crashes, accidents, and casualties from law enforcement and other states; (4) electronic signatures; (5) applications for vehicle sales licenses and related businesses; and (6) certain registration credentials. The bill also eliminates a statutory provision which restricted the ability of all persons to submit certain electronic documents without a signature, and explicitly allows the use of electronic signatures.

[Senate Bill 355](#)

Passed – Revises provisions relating to commerce.

Passage Details: Senate 20-1; Assembly 42-0; Signed into law by Governor Lombardo.

Effective: June 15, 2023 (regulations); October 1, 2023 (most other provisions)

Summary: Senators Scott Hammond and Roberta Lange convened stakeholder meetings throughout the 2021-22 interim to address challenges in the financial institutions industry. Stakeholders included NCUL, the Nevada Bankers Association, Lexicon Bank, the Financial Institutions Division, and various consumer groups. NCUL participated in each stakeholder meeting and provided input on topics that were discussed or considered. One suggestion made during these stakeholder groups was to remove tax-exempt status from credit unions. NCUL took immediate action to refute the claims being made against credit unions and was successful in ensuring that no such provision was included in SB355.

The group ultimately decided to address the following issues: (1) streamline the licensing process for financial institutions; (2) authorize and regulate remote lending; (3) provide for notification protocol in the event of a data breach; and (4) protect senior citizens from financial abuse and fraud.

Streamlining the Licensing Process: The bill removes the requirement that a financial institution provide a physical address for the main office during the licensing process, and instead requires the address to be provided before commencing business operations.

Remote Employees: Authorizes employees of licensed lending businesses to work remotely, provided that they meet certain requirements, including entering into a written agreement with the employee containing the following required provisions: (1) the employee must: (i) maintain confidentiality of data concerning borrowers; (ii) maintain all data electronically; (iii) read and comply with the business's data security policy; and (iv) keep any equipment of the business safe and secure; and (2) the employee must not: (i) print or reproduce physical documents containing any data of the licensee; (ii) disclose to a borrower that the employee is working from a remote location; (iii) disclose to a borrower that the remote location is a place of business; and (iv) conduct any actions with a borrower from a remote location. Additionally, the licensee is required to ensure that the remote location is secure and contains all necessary equipment for the employee to conduct remote lending in a secure manner, and that the employee undergoes appropriate training. Licensees who allow for remote lending must also develop a written data security policy that meets the requirements in Section 6 of the bill.

Data Breach Notification: The bill establishes data breach notification requirements tailored to the financial institution industry. If a licensee determines that a breach has occurred, the bill requires the licensee to notify any resident of Nevada whose personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The methods by which a licensee must provide notification are included in Sections 9 and 10. We recommend that credit unions review the requirements with their counsel to ensure compliance.

Protections for Senior Citizens: The bill extends existing provisions governing requirements for a financial institution to report known or suspected exploitation of older or vulnerable persons, to include procedures that a financial institution may take to temporarily delay a requested disbursement from, or a transaction involving, an account of an older or vulnerable person. NCUL worked with the Nevada Bankers Association and the bill sponsor to amend the bill to add important protections for financial institutions, their officers, employees, and designated reporters when holding or delaying suspicious disbursements or transactions made by older or vulnerable persons. These include: (1) allowing designated reporters to proceed with disbursements or transactions once they reasonably believe that the requested disbursement or transaction will not result in the exploitation of the older or vulnerable person; (2) providing a permissive list of circumstances for a designated reporter to consider when determining whether an older or vulnerable person has been exploited; and (3) clarifying that a person is not required to accept an acknowledged power of attorney if the person knows that a report of suspected exploitation of an older person or vulnerable person has been made, or if the person holds or delays a transaction because they suspect the person is being exploited.

In addition to the provisions above, SB355 was amended late in the session to add provisions from AB284 (authorizes employees of mortgage companies to work remotely) and AB394 (prohibits the use of Non-Title Recorded Agreements for Personal Services).

Senate Bill 360

Failed – Provides for the licensure and regulation of persons engaged in digital financial asset business activity.

Passage Details: Never received a hearing in Senate Judiciary; Failed First House Committee Passage deadline.

Summary: SB360 would have provided for the licensure and regulation of persons engaged in digital financial asset business activity. Like all virtual currency bills, NCUL reviewed SB360 with careful scrutiny to ensure that credit unions were exempt.

Senate Bill 370

Passed – Revises provisions relating to the protection of consumer information.

Passage Details: Senate 13-8; Assembly 33-8; Signed into law by Governor Lombardo.

Effective: March 31, 2024

Summary: SB370 expands state data privacy protections to specifically protect “consumer health data” (personally identifiable information that is linked or reasonably capable of being linked to a consumer and is used by a regulated entity to identify the health status of the consumer). The bill requires regulated entities to develop privacy policies and obtain consumer consent for collecting and sharing health data. The bill requires certain actions when a consumer makes a request concerning their data including confirming receipt of the request, providing information on the data collected, ceasing data collection, or sharing, or deleting data. Additionally, the bill prohibits the sale of consumer health data without consumer authorization and implements restrictions on geofencing near healthcare providers. Finally, the bill clarifies that violations of the provisions of the bill do not allow a consumer to initiate a civil action seeking damages.

Credit Unions Are Exempt: Under Section 20, the bill states that financial institutions who are subject to the Gramm-Leach-Bliley Act are exempt from the bill.

Senate Bill 465

Failed – Makes an appropriation to the Department of Taxation for the costs of a feasibility study and request for proposals for a real-time sales tax point-of-sale system.

Passage Details: Senate 20-0; Heard by Assembly Ways and Means; Never voted out of Assembly Ways and Means.

Summary: SB465 would have authorized the Nevada Department of Taxation to conduct a study of real-time tax point-of-sale systems. NCUL worked with the Nevada Bankers Association and the Retailers Association of Nevada to oppose the bill. Stakeholders were concerned that the study would not contemplate estimated costs to the state, merchants, payment processors, and credit card issuers to create, implement, and manage such a system. Additionally, there was no requirement that the study consider efforts in other states or consider comparing the benefits of a real-time system with other methods that advance tax revenue collection. NCUL engaged formally by testifying in opposition and through direct lobbying. The bill ultimately failed to pass out of the Assembly Ways and Means Committee.

Senate Concurrent Resolution 2

Passed – Declares April 2023 as Financial Literacy Month.

Summary: SCR2 declares April 2023 as Financial Literacy Month. NCUL requested the resolution through the Senate Majority Leader’s office with the assistance of long-time NCUL friend, former Senator Joyce Woodhouse. The Senate read and adopted the resolution on April 10 alongside John Ahdunko of Greater Nevada Credit Union. The Assembly read and adopted the resolution on April 11 alongside John Ahdunko of GNCU, and Jennifer Denoo and Elisabeth Hadler of Great Basin Federal Credit Union.