

**ADOPTED REGULATION OF THE DIVISION OF
STATE LANDS OF THE STATE DEPARTMENT OF
CONSERVATION AND NATURAL RESOURCES**

LCB File No. R231-05

Effective May 4, 2006

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

AUTHORITY: §§1-7, NRS 321.007.

A REGULATION relating to state lands; establishing procedures relating to the list of appraisers qualified to perform an appraisal of land offered for sale or lease by the State Land Registrar; and providing other matters properly relating thereto.

Section 1. Chapter 321 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 7, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Division” means the Division of State Lands of the Department of Conservation and Natural Resources.*

Sec. 4. *“List of appraisers” means the list of appraisers established and maintained by the Division pursuant to section 5 of this regulation.*

Sec. 5. 1. *The Division will establish and maintain a list of appraisers who are qualified and willing to perform appraisals of land offered for sale or lease by the State Land Registrar.*

2. *At least once every 3 years, the Division will solicit applications from appraisers for inclusion on the list of appraisers. As part of the solicitation, the Division will notify each*

appraiser that failure to respond to three successive requests for bids made pursuant to section 7 of this regulation may result in removal of the appraiser from the list.

3. An appraiser who applies to be included on the list of appraisers must submit to the Division an application setting forth:

(a) A statement that the appraiser is willing to perform appraisals of land offered for sale or lease by the State Land Registrar;

(b) The counties in which the appraiser is willing to perform such appraisals;

(c) The types of appraisals the appraiser is qualified and willing to perform;

(d) A sample of a self-contained appraisal report prepared by the appraiser;

(e) The resume of the appraiser, including, without limitation:

(1) The educational accomplishments of the appraiser;

(2) A list of professional courses the appraiser has taken;

(3) The appraiser's professional experience or length of time in practice; and

(4) A list of clients for whom the appraiser has recently performed an appraisal;

(f) Proof that the appraiser holds a valid certificate as a general appraiser issued pursuant to chapter 645C of NRS; and

(g) If applicable, evidence of the membership of the appraiser in a professional organization for appraisers.

4. The State Land Registrar:

(a) Shall review the applications submitted pursuant to subsection 3 and make the final determination as to which appraisers are to be included on the list of appraisers.

(b) Shall not include on the list of appraisers any appraiser who does not hold a valid certificate as a general appraiser issued pursuant to chapter 645C of NRS.

5. The State Land Registrar may remove an appraiser from the list of appraisers if:

(a) The appraiser submits to the Division a written request to be removed from the list of appraisers;

(b) The appraiser ceases to hold a valid certificate as a general appraiser issued pursuant to chapter 645C of NRS;

(c) The appraiser fails to respond to three successive requests for bids made pursuant to section 7 of this regulation; or

(d) The State Land Registrar determines that the appraiser has failed to perform in a satisfactory manner.

6. If an appraiser is removed from the list of appraisers pursuant to paragraph (c) of subsection 5, the appraiser may, not sooner than 6 months after the date of his removal, submit a new application to the Division pursuant to subsection 3 for inclusion on the list.

Sec. 6. 1. The Division will include on the list of appraisers:

(a) The name of each appraiser selected by the State Land Registrar to be included on the list;

(b) The county or counties in which each appraiser on the list is qualified and willing to perform an appraisal; and

(c) The types of appraisals each appraiser on the list is qualified and willing to perform.

2. The Division will organize the list of appraisers:

(a) By county; and

(b) By type of appraisal that each appraiser on the list is qualified and willing to perform.

3. The Division will organize the list of appraisers for each county:

(a) By using a random number table; and

(b) By rotating the names on the list using a random number table whenever an appraiser is:

(1) Selected from the list to perform an appraisal pursuant to section 7 of this regulation; or

(2) Added to the list for that county.

4. As used in this section, a number table is “random” if it provides a process which ensures that each appraiser on the list of appraisers has an equal chance of receiving a request for a bid from the State Land Registrar to perform an appraisal which the appraiser is qualified to perform.

Sec. 7. 1. If the Division is required to select an appraiser to perform an appraisal of land offered for sale or lease by the State Land Registrar, the Division will request bids to perform the appraisal from at least the first five appraisers to appear in the appropriate portion of the list of appraisers. If fewer than five appraisers appear in the appropriate portion of the list, the Division will request bids to perform the appraisal from all appraisers who appear in the appropriate portion of the list.

2. The request for bids must include, without limitation:

(a) A request for:

(1) The estimated cost to complete the appraisal;

(2) The estimated time to complete the appraisal; and

(3) Verification of the qualifications of the appraiser to perform the appraisal, which may include an updated resume and appraisal sample.

(b) A notice that when the appraiser submits a bid, the appraiser must provide to the Division a statement disclosing:

(1) All sources of income of the appraiser that may constitute a conflict of interest if the appraiser performs the appraisal which is the subject of the request for a bid; and

(2) Any relationship of the appraiser with:

(I) The owner of the land that is the subject of the appraisal; or

(II) The owner of a property adjoining the land that is the subject of the appraisal.

(c) A notice that an appraiser shall not perform an appraisal on any land offered for sale or lease by the State Land Registrar if the appraiser or a person related to the appraiser within the first degree of consanguinity or affinity has an interest in the land or an adjoining property.

3. The selection of an appraiser to perform an appraisal must be based on criteria to include, without limitation:

(a) The response of the appraiser to the request for information described in paragraph (a) of subsection 2;

(b) The past history of the appraiser in completing appraisal assignments for the State in a timely manner in accordance with agency requirements;

(c) The appraiser's estimated cost to perform the appraisal as compared with the assignment and other bids submitted; and

(d) The appraiser's estimated time to complete the appraisal as compared with other bids submitted and the requirements of the Division for completion of the assignment.

4. If, after following the procedures set forth in subsections 1, 2 and 3, the Division has been unable to receive two appraisals, the Division will continue to request bids until two appraisals are obtained.

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R231-05**

The Division of State Lands of the State Department of Conservation and Natural Resources adopted regulations assigned LCB File No. R231-05 which pertain to chapter 321 of the Nevada Administrative Code on March 1, 2006.

Notice date: 1/20/2006
Hearing date: 3/1/2006

Date of adoption by agency: 3/1/2006
Filing date: 5/4/2006

INFORMATIONAL STATEMENT

1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

A public workshop was held in regards to the proposed amendments. The meeting was held at the Department of Conservation and Natural Resources hearing room on March 1, 2006. The public workshop was noticed in compliance with open meeting laws. In addition, a copy of the notice along with the proposed amendments was mailed directly to all appraisers that the agency has contracted with over the past three years. One individual attended the workshop and submitted written comments. There were no written comments submitted received prior to the workshop. The person who submitted comments was from the Nevada Housing Division. The individual was in support of the regulations and submitted 3 suggestions:

1. Any appraisers chosen to perform appraisals for land to be used as affordable housing adhere to the Appraisal Institute's "Valuation and Market Studies for Affordable Housing".
2. Appraisers must be certified in Nevada and hold a Nevada license, not a temporary license.
3. Make sure that appraisers have previously performed the type of appraisal being requested to be performed.

A public hearing was held immediately following the public workshop. The meeting was held at the Department of Conservation and Natural Resources hearing room. The public hearing was noticed in compliance with open meeting laws. In addition, a copy of the hearing notice along with the proposed amendments was mailed directly to all appraisers that the agency has contracted with over the past three years. There were no individuals attending the hearing. There were no written comments submitted at the hearing or received prior to the public hearing. A copy of the record of the hearing may be obtained by calling the Nevada Division of State Lands, 775-684-2726, or by writing to Jim Lawrence at 901 S. Carson Meadows, Suite 5003 Carson City, NV 89701.

2. The number of persons who:

- (a) **Attended each hearing:** 1 at the workshop
0 at the public hearing
- (b) **Testified at each hearing:** 1 at the workshop
0 at the hearing
- (c) **Submitted to the agency written comments:** One

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

The proposed regulations are not estimated to have an affect on businesses. Regardless, a workshop and public hearing was held at the Zephyr Cove Library on March 1, 2006. The workshop and public hearing were noticed in compliance with open meeting laws. In addition, a copy of the workshop and hearing notice, along with the proposed regulations, were mailed directly to all appraisers that the agency has contracted with over the past three years. One individual attended the workshop, was in support of the regulations as proposed, but also submitted written comments (listed above in section 1). A copy of the record of the hearing may be obtained by calling the Nevada Division of State Lands at (775) 684-2726 or by writing to Jim Lawrence at 901 S. Stewart St., Suite 5003, Carson City, NV 89701.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The regulations were adopted without change because the three comments received were either covered by the regulations or pertained to appraisal instructions, which are not part of the regulations. Specifically, the agency received the following three comments which are in italics. The responses to the comments are in regular font.

1. Any appraisers chosen to perform appraisals for land to be used as affordable housing adhere to the Appraisal Institute’s “Valuation and Market Studies for Affordable Housing”.

It was agreed that because land appraisals are often unique and thus require appraisal instructions unique to the particular land that is being appraised. As such, it was not appropriate to include in the regulations specific appraisal instructions. However, it was agreed that in the event land was being appraised for an affordable housing project that “valuation and Market Studies for Affordable Housing” would be part of the appraisal requirements.

2. Appraisers must be certified in Nevada and hold a Nevada license, not a temporary license.

The “master” list of appraisers maintained by the Real Estate Division only includes those certified and holding a license in Nevada, and does not include those who only hold a temporary license. This master list will be used as the mailing list for soliciting appraisers to be included on the NDSL’s list for appraisal services. As such, it was not necessary to include language in the regulations regarding temporary licenses.

3. Make sure that appraisers have previously performed the type of appraisal being requested to be performed.

The regulations specifically state that the list will be organized by location and expertise. In addition, the one of the selection criteria outlined in the regulations is “verification of the qualifications of the appraiser to perform the appraisal”. As such, it was determined that additional language was not necessary.

5. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:

(a) Both adverse and beneficial effects; and

(b) Both immediate and long-term effects.

a. There is no estimated economic effect on the business community, either adverse or beneficial, nor immediate or long-term as a result of the proposed amendments.

b. There is no estimated economic effect on the public, either adverse or beneficial, nor immediate or long-term as a result of the proposed amendments.

6. The estimated cost to the agency for enforcement of the adopted regulation.

There is no additional cost to the agency for enforcement of the adopted regulation.

7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no state or government agency regulations, which the proposed amendments duplicate.

8. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

There are no federal regulations that regulate the same activity.

9. If the 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.

This regulation does not provide or involve a new fee, or increase an existing fee.