

PROPOSED REGULATION OF THE REAL ESTATE COMMISSION

LCB File No. R071-12

EXPLANATION: Matter in *italics* is new; matter in brackets ~~{omitted material}~~ is material to be omitted.

AUTHORITY: NRS 645.190

Section 1. Chapter 645 of NAC is hereby amended by adding thereto a new section to read as follows:

Sec. 2. 1. *A real estate salesman who wishes to renew his license upon the first renewal of an original license issued pursuant to NRS 645.332 must complete twenty-four hours of continuing education which fulfill the requirements of a 2-year period as set forth in NAC 645.448, subsection 1.*

Sec. 3. *A real estate broker or broker-salesman who wishes to renew his license upon the first renewal of an original license issued pursuant to NRS 645.332 must complete twenty-four hours of continuing education which fulfill the requirements of a 2-year period as set forth in NAC 645.448, subsection 2.*

Sec. 4. *Not less than 50 percent of the total hours of required continuing education set forth in this section must be taken through live instruction in which the licensee and the instructor are in the same room, except that licensees who live in a rural area may, with the prior written approval of the Division, take continuing education courses as an interactive or televideo course that involves interaction with the instructor and other students. (NAC 645.448 (7) in LCB File #093-10)*

Sec. 5. *As used in this section, “rural area” means any area which is more than 100 miles from a city in this State whose population is 40,000 or more.*

Sec. 6. NAC 645.655 is hereby amended to read as follows:

NAC 645.655 Records of transactions; trust accounts. (NRS 645.050, 645.190, 645.195, 645.310, 645.633)

1. Each real estate transaction of a brokerage must be numbered consecutively or indexed to permit audit by a representative of the Division.

2. A complete record of each real estate transaction, together with records required to be maintained pursuant to NRS 645.310, must be:

(a) Kept in this State; and

(b) Open to inspection and audit by the Division upon its request during its usual business hours, as well as other hours during which the licensee regularly conducts his or her business.

3. If any records the Division requests to inspect or audit pursuant to subsection 2 are stored electronically, access to a computer or other equipment used to store the information must be made available to the Division for use in its inspection or audit.

4. The real estate broker shall give written notice to the Division of the exact location of the records of the real estate broker and shall not remove them until he or she has delivered a notice which informs the Division of the new location.

5. A licensee shall not maintain a ~~custodial or~~ trust account from which money may be withdrawn without the signature of a licensee. A signature applied by use of a rubber stamp does not constitute the signature of a licensee for the purposes of this subsection.

6. A real estate salesperson may not be the only required signatory on a custodial or trust fund account. A real estate salesperson may be a cosigner of an account with his or her real estate broker.

Sec. 7. NAC 645.800 is hereby amended to read as follows:

NAC 645.800 Permit to engage in property management: General requirements; fees; effective date. (NRS 645.190, 645.6052)

1. A person who wishes to obtain a permit to engage in property management must submit to the Division:

(a) A completed application on a form prescribed by the Division;

(b) A fee of ~~[\$40]~~ \$80; and

(c) A certificate of completion, in a form that is satisfactory to the Division, that indicates the person's successful completion of the 24 classroom hours of instruction in property management required by paragraph (a) of subsection 2 of NRS 645.6052.

Sec. 8. NAC 645.802 is hereby amended to read as follows:

NAC 645.802 Permit to engage in property management: Requirements and fee for renewal; effective date of renewal; date of expiration. (NRS 645.190, 645.6052)

1. The Division may renew a permit to engage in property management if the holder of the permit submits to the Division:

(a) A request for the renewal of the permit with the holder's application to renew his or her license as a real estate broker, real estate broker-salesperson or real estate salesperson;

(b) A renewal fee of ~~[\$40]~~ \$80; and

(c) Documentation of his or her successful completion of ~~[the requirements for continuing education required by paragraph (a) of subsection 4 of NRS 645.6052.]~~ **3 hours of continuing education designated for property management completed before the end of each 2-year period.**

2. The hours of continuing education used to fulfill the requirements set forth in paragraph (c) of subsection 1 must include:

(a) Instruction relating to any amendments to the laws of this State governing property management; and

~~[(b) If the holder of the permit is a manager of a common interest community pursuant to chapters 116 and 116A of NAC, 3 hours of instruction relating to the laws of this State that are applicable to the responsibilities and duties involved in the management of a common interest~~

~~community.]~~ 3. The renewal of a permit is effective on the date on which the application for renewal of a license is submitted to the Division or on the date on which the renewal fees for the license and the permit are paid, whichever occurs later.

4. A permit expires on the same date as the holder's license expires.

Sec. 9. NAC 645.913 is hereby amended to read as follows:

NAC 645.913 General requirements; fees; background investigation. (NRS 645.190, 645.863)

1. A licensee who wishes to obtain a permit must:

(a) Submit to the Division:

(1) A completed application on a form prescribed by the Division;

(2) A fee of ~~[\$40]~~ \$80;

(3) A fee of \$75 for the examination required by paragraph (b); and

(4) A certificate of completion, in a form satisfactory to the Division, indicating that the applicant has successfully completed the 24 hours of classroom instruction relating to business brokerage required by paragraph (a) of subsection 2 of NRS 645.863; and

(b) Pass an examination which is prepared and administered by an organization designated by the Division, with a score of at least 75 percent. The examination must:

(1) Include the subject matter presented in the hours of classroom instruction required pursuant to subsection 2; and

(2) Consist of at least 50 multiple-choice questions.

Sec. 10. NAC 645.915 is hereby amended to read as follows:

NAC 645.915 Expiration date; requirements and fee for renewal. (NRS 645.190, 645.863)

1. A permit expires on the same date as the license of the holder of the permit expires.

2. The Division may renew a permit if the holder of the permit submits to the Division:

(a) A request for the renewal of the permit with the application to renew his or her license;

(b) A renewal fee of ~~[\$40]~~ \$80; and

(c) Documentation indicating that the holder of the permit has successfully completed ~~[the continuing education required by paragraph (a) of subsection 4 of NRS 645.863.]~~ *3 hours of continuing education designated for business broker completed before the end of each 2-year period.*

Sec. 11. NAC 645.225 is hereby amended to read as follows:

NAC 645.225 Period for acceptance of results of examination. (NRS 645.190) ~~[The Division shall only accept results of an examination taken during the 12 months, to the day, immediately preceding the date of application for a license.]~~ *Results of an examination are valid for use in applying for a license or permit for 12 months, to the day, from the date the examination results were issued. The Division must receive an application for a license or permit before the expiration of the examination results.*

TEXT OF REPEALED SECTIONS

NAC 645.120 is hereby repealed.

~~**NAC 645.120 Financial condition of applicant for license as real estate broker.** (NRS 645.190, 645.400)~~

~~— 1. Before a person who wishes to apply for a license as a real estate broker submits an application for the license pursuant to NRS 645.350, the Division shall consider the financial condition of the person and require the person to submit to the Division the following financial information:~~

- ~~— (a) The person's current employer and the employer's address;~~
- ~~— (b) The person's checking accounts with amounts;~~
- ~~— (c) The person's savings accounts with amounts; and~~
- ~~— (d) Such other information concerning the person's finances as the Division deems pertinent.~~
- ~~— 2. A person may not apply for a license as a real estate broker unless the person has submitted to the Division the information required by this section and the Division has approved the financial condition of the person.~~

NAC 645.150 is hereby repealed.

~~**NAC 645.150 Investigation of financial responsibility of applicant for license as real estate broker; proof of good character of any applicant.** (NRS 645.190, 645.400)~~

~~— 1. The Division may investigate the financial responsibility of each applicant for a license as a real estate broker. If the Division determines that an applicant is not financially responsible, it may require that the applicant be licensed as a real estate broker salesperson until he or she meets the requirements of financial responsibility as determined by the Commission. The Division may require an applicant for a license as a real estate broker to submit a credit report to the Division at his or her own expense.~~

~~— 2. An applicant for a license as a real estate broker shall be deemed financially responsible if the applicant can show liquid assets sufficient to maintain an office for at least 180 days. The applicant's cash on hand must be on deposit at least 90 days before the date of the application. Anyone denied a license for lack of financial responsibility does not waive his or her right to appeal pursuant to NRS 645.440 by acceptance of a license as a real estate broker salesperson.~~

~~— 3. The Administrator may require other proof of the honesty, truthfulness and good reputation of any applicant, including the officers and directors of any corporation, or the members of any partnership or association making an application, before accepting an application for a license.~~

~~— 4. As used in this section, "liquid assets" means assets that are the equivalent of cash or easily converted into cash. The term:~~

- ~~— (a) Includes, without limitation, money in a checking, savings or money market account and certificates of deposit.~~
- ~~— (b) Does not include a line of credit.~~

NAC 645.799 is hereby repealed.

~~**NAC 645.799 Applicability of certain provisions regarding management of common-interest communities.** (NRS 645.050, 645.190) A person who holds a permit and engages in the management of a common-interest community is subject to the provisions of chapter 116 of NRS and chapters 116 and 116A of NAC relating to managers of common-interest communities.~~