

**ADOPTED REGULATION OF THE REAL ESTATE DIVISION OF  
THE DEPARTMENT OF BUSINESS AND INDUSTRY**

**LCB File No. R144-06**

Effective September 18, 2007

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

AUTHORITY: §§1-33 and 35-42, NRS 645D.120; §34, NRS 645D.120 and 645D.230.

A REGULATION relating to inspections of structures; revising procedures for schools that offer courses of instruction in preparation for an original certificate as a certified inspector to obtain the approval of the Real Estate Division of the Department of Business and Industry; revising procedures for approved schools to obtain approval for such courses; revising provisions concerning instructors of such courses; establishing procedures for the appointment of advisory committees; providing an additional method for a person licensed as a residential inspector in another state to satisfy the requirements to become a certified inspector in this State; and providing other matters properly relating thereto.

**Section 1.** Chapter 645D of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 16, inclusive, of this regulation.

**Sec. 2.** *As used in NAC 645D.232 to 645D.249, inclusive, and sections 2 to 12, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in NAC 645D.232 and sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Approved course” means a course of instruction offered in preparation for an original certificate that has been approved by the Division.*

**Sec. 4.** *“Approved school” means a school that has been approved by the Division to offer and conduct an approved course.*

**Sec. 5. 1.** *An approved course must include instruction in:*

- (a) Current practices for the inspection of structures; and*
- (b) State and federal laws and regulations relating to inspections or inspection practices.*

*2. The Division may approve a course that includes, without limitation, instruction in one or more of the following:*

*(a) The administration of laws and regulations relating to the inspection of structures, including, without limitation, certification, enforcement and contracts;*

*(b) The evaluation of a structure and its components, including, without limitation, the evaluation of the items set forth in NAC 645D.480 to 645D.580, inclusive;*

*(c) The nature of inspections;*

*(d) The purpose and use of inspections;*

*(e) Methods of inspection; and*

*(f) Construction.*

**Sec. 6. 1.** *An approved school shall not offer or conduct a course of instruction in preparation for an original certificate unless the course is approved by the Division. An application for approval must be submitted on a form provided by the Division.*

*2. The approval of the Division for a course of instruction offered in preparation for an original certificate expires each year on June 30.*

*3. An approved school must apply annually for reapproval of an approved course. The application must be submitted on a form provided by the Division and describe any changes in the approved course since its last approval. The form must be received by the Division not later than June 1.*

*4. An approved school shall notify the Division within 15 days after making any material change in an approved course.*

*5. The approval of any course of instruction offered in preparation for an original certificate is subject to the condition that the Division may audit and evaluate the presentation of an approved course. An approved school shall admit an auditor provided by the Division.*

*6. Each of the following acts and conditions is a ground for the Division to withdraw its approval of a course:*

*(a) Poor quality of the curriculum or instruction, as demonstrated by an evaluation or audit.*

*(b) Violation of any of the provisions of this chapter.*

*(c) Failure of an instructor to exercise control over the students in the classroom or maintain complete records of their attendance.*

*Sec. 7. 1. If the Administrator determines, whether pursuant to an audit or otherwise, that an approved course does not meet the standards for such a course set forth in this chapter, the Administrator shall notify the approved school of his intent to withdraw approval of the course. The notice must include the specific reasons upon which the Administrator is basing his decision to withdraw approval of the course. Not later than 30 days after the date on which the approved school receives the notice, the school may provide a written response to the Administrator that clearly sets forth the reasons why approval of the course should not be withdrawn and specifies any corrective measures that the school will undertake. After the 30-day period has elapsed, the Administrator shall review the notice and any response submitted by the school and:*

*(a) Withdraw approval of the course;*

*(b) Allow the course to remain approved if certain specific conditions are met; or*

*(c) Allow the continued approval of the course.*

↳ *If the Administrator decides to withdraw approval of the course, the withdrawal of approval of the course becomes effective upon the mailing of the Administrator's decision to withdraw approval to the approved school by certified mail, return receipt requested, to the school's last known business address.*

*2. If the Administrator withdraws approval of a course, the Division will give credit to a student for completing the course if the student began the course before the approved school received written notice of the withdrawal of approval of the course.*

*3. The approved school may contest the decision of the Administrator to withdraw approval of a course by making a written demand to the Division for a hearing not later than 30 days after the date on which the withdrawal of the approval of the course becomes effective.*

*4. The Division will, within 90 days after receiving the demand for a hearing, set a date for the hearing and notify the approved school of the date.*

**Sec. 8.** *An approved school shall provide a certificate of completion to a student who completes an approved course. The Division will accept the certificate as proof of the student's completion of the approved course. The certificate of completion must include, without limitation:*

- 1. The name of the approved school;*
- 2. The title, description and number of the approved course;*
- 3. The name of the student;*
- 4. The number of hours of instruction attended by the student;*
- 5. The date of completion of the approved course;*
- 6. An original signature of a person authorized to sign for the approved school; and*
- 7. The statement: "This course is approved by the Nevada Real Estate Division."*

**Sec. 9.** *An approved school shall not:*

- 1. Present a course for the purpose of selling products and must limit the announcement of products during the course to not more than 1 minute for each hour of instruction;*
- 2. Allow a student to pass a course by taking an examination without having attended the required hours of instruction; or*
- 3. Provide more than 8 hours of instruction per day in an approved course.*

**Sec. 10.** *An approved school shall state on all materials, other than copyrighted materials, used in an approved course:*

- 1. That the course is approved by the Division; and*
- 2. The number of hours of credit toward satisfying the educational requirement for an original certificate for which the Division has approved the course.*

**Sec. 11.** *1. The form for registration for an approved course must set forth, in writing, the policy of the approved school concerning cancellation and refunds.*

*2. Any advertising or promotional brochure for an approved course must specify that the course is approved by the Division.*

**Sec. 12.** *The Division will not allow credit for more than 8 hours of instruction per day of any approved course.*

**Sec. 13.** *For the purposes of this chapter:*

- 1. An hour of instruction must consist of at least 50 minutes but not more than 60 minutes of actual instruction.*
- 2. One semester hour of credit is equivalent to 15 hours of instruction. The credit must be earned at a university, state college or community college within the Nevada System of Higher*

*Education or any other university or college with the same or an equivalent accreditation or a professional school or college licensed by the Commission on Postsecondary Education.*

**Sec. 14. 1.** *The certificate of a certified inspector who fails to maintain, or whose employer fails to maintain, a policy of insurance required by NRS 645D.190 expires by operation of law on the 60th day after the certified inspector ceases to be covered by the policy.*

*2. The proof of insurance submitted by an applicant for an original certificate or applicant for renewal of a certificate pursuant to NRS 645D.190 must include the name of the applicant as it appears, or will appear, on his certificate.*

**Sec. 15.** *Any person required to maintain records pursuant to this chapter may maintain the records in any permanent form, including, without limitation, electronic form.*

**Sec. 16. 1.** *The Administrator may establish an advisory committee to assist him with any matter that he determines is appropriate for submission to an advisory committee.*

*2. The Administrator shall create and maintain a list of the persons he approves to serve on an advisory committee. A person approved to serve on an advisory committee must:*

*(a) Be a certificate holder on active status and in good standing with the Division;*

*(b) Have been actively engaged in business as a certified inspector in this State for at least the 3 years immediately preceding the date of his approval; and*

*(c) Have been a resident of this State for not less than 5 years.*

*3. If the Administrator determines to establish an advisory committee, he shall appoint three persons to serve on the committee from the list of approved persons. At least one member of the advisory committee must be a certified master inspector. The Administrator shall appoint one member of the advisory committee to serve as its chairman.*

*4. A member of an advisory committee serves:*

- (a) At the pleasure of the Administrator;*
- (b) Without compensation; and*
- (c) Is entitled to receive the per diem allowance and travel expenses provided by law for state officers and employees generally for the period during which the member was engaged in the discharge of his duties.*

**Sec. 17.** NAC 645D.210 is hereby amended to read as follows:

645D.210 1. ~~Am~~ *Except as otherwise provided in subsection 3, an* applicant for a certificate as a certified residential inspector:

- (a) Must furnish proof satisfactory to the Division that he has successfully completed:
    - (1) Not less than 40 hours of ~~academic~~ *classroom* instruction in subjects related to structural inspections in courses approved by the Division.
    - (2) An examination approved by the Division.
    - (3) The observation of at least 25 inspections performed by:
      - (I) A certified general inspector or a certified master inspector for a fee; or
      - (II) An instructor approved by the Administrator.
  - (b) Must possess a high school diploma or its equivalent.
  - (c) Must demonstrate his ability to produce a complete and credible inspection report according to the standards and requirements set forth in NAC 645D.460 to 645D.580, inclusive.
2. An applicant must submit to the Division a log of the inspections he observed on a form supplied by the Division.
- 3. An applicant who has held a certificate as a residential inspector, or the equivalent, issued by another state may submit 25 inspection reports that he completed during the 2 years immediately preceding his application. If the Division determines that the inspection reports*

*are complete and credible according to the standards and requirements set forth in NAC 645D.460 to 645D.580, inclusive, the Division may accept the reports in lieu of the 25 observations of inspections required by subsection 1.*

**Sec. 18.** NAC 645D.220 is hereby amended to read as follows:

645D.220 1. An applicant for a certificate as a certified general inspector:

(a) Must furnish proof satisfactory to the Division that he has successfully completed:

(1) Not less than 50 hours of ~~academic~~ *classroom* instruction in subjects related to structural inspections in courses approved by the Division.

(2) An examination approved by the Division.

(3) ~~At~~ *As a certified residential inspector, at* least 200 inspections for a fee, of which not less than 25 must be inspections of commercial structures ~~or~~ *or structures consisting of more than four residential units.*

(4) At least three inspections of commercial structures under the supervision of a certified master inspector. The inspections must be evaluated by the supervising certified master inspector and recorded on a form provided by the Division.

(b) Must possess a high school diploma or its equivalent.

(c) Must demonstrate his ability to produce a complete and credible inspection report according to the standards and requirements set forth in NAC 645D.460 to 645D.580, inclusive.

2. An applicant must submit to the Division a log of the inspections he performed for a fee on a form supplied by the Division.

**Sec. 19.** NAC 645D.230 is hereby amended to read as follows:

645D.230 1. An applicant for a certificate as a certified master inspector:

(a) Must furnish proof satisfactory to the Division that he has successfully completed:

(1) Not less than 60 hours of ~~[academic]~~ *classroom* instruction in subjects related to structural inspections in courses approved by the Division;

(2) An examination approved by the Division; and

(3) ~~[At]~~ *As a certified residential inspector or certified general inspector, at* least 400 inspections for a fee. ~~[, of which not]~~ *Not* less than 50 of the inspections must be of commercial structures or structures consisting of more than four residential units ~~[]~~ *that were occupied before or during the inspection.*

(b) Must possess a high school diploma or its equivalent.

(c) Must *submit to the Division at least two inspection reports which* demonstrate his ability to produce a complete and credible inspection report according to the standards and requirements set forth in NAC 645D.460 to 645D.580, inclusive. *Each inspection report must document the applicant's inspection of a commercial structure that uses at least five of the following:*

*(1) Structural steel framing.*

*(2) Concrete tilt-up panels.*

*(3) Roofing that uses a single-ply membrane.*

*(4) A system of commercial storefront windows and doors.*

*(5) A system of fire suppression that uses:*

*(I) Water dispersed by sprinklers; or*

*(II) A gas, including, without limitation, an inert gas, Halon, as defined in 40 C.F.R.*

*§ 82.260, or other gaseous compound.*

*(6) A boiler.*

*(7) A system of climate control that uses:*

*(I) A chiller; or*

*(II) An air-conditioning unit that has a cooling capacity of more than 5 tons.*

*(8) A system of refrigeration other than a system of conventional heating, ventilating and air-conditioning.*

*(9) A three-phase electrical system.*

*(10) An elevator or escalator.*

2. An applicant must submit to the Division a log of the inspections he performed for a fee on a form supplied by the Division.

**Sec. 20.** NAC 645D.232 is hereby amended to read as follows:

645D.232 ~~[For the purposes of NAC 645D.232 to 645D.249, inclusive, “school” includes:~~

~~—1. The University of Nevada,] “School” means:~~

*1. A university, state college or community college within the Nevada System of Higher Education* or any other university or college with the same or an equivalent accreditation.

2. Any professional school or college licensed by the Commission on Postsecondary Education.

3. A nationally recognized organization of inspectors.

**Sec. 21.** NAC 645D.234 is hereby amended to read as follows:

645D.234 Before any school offers or conducts a course of instruction ~~[designed to fulfill the educational requirements for the original certification of an inspector under chapter 645D of NRS,]~~ *in preparation for an original certificate*, the school must be approved by the Division.

The application for approval must be made on a form prescribed by the Division. The application must include the following information for determining the eligibility of the school for approval:

1. The name and address of the school;
2. The type of school and a description of its facilities;

3. The names of the owners of the school, including, if applicable, the name of the business organization that owns the school and the names and addresses of all directors, principals, officers and other persons having interests as owners;

4. A list of the instructors and evidence of their qualifications;

5. A list of the courses to be offered and a topical syllabus for each course;

6. The allotment of time for each subject taught;

7. A proposed schedule of courses for 1 year;

8. The titles, authors and publishers of all required textbooks;

9. A copy of an examination and the correct answer for each question; ~~and~~

10. A statement of the:

(a) Purpose of the school;

(b) Fees to be charged;

(c) Days, times and locations of classes;

(d) Number of quizzes and examinations;

(e) Grading systems, including the methods of testing and standards of grading;

(f) Requirements for attendance; and

(g) Location of the students' records ~~and~~;

*11. Confirmation that the school administers a final examination for each class that is conducted in the presence of a proctor; and*

*12. Any other information that the Division finds necessary to determine the suitability of the school to offer and conduct a course of instruction in preparation for an original certificate.*

**Sec. 22.** NAC 645D.236 is hereby amended to read as follows:

645D.236 ~~[If a school has applied for and received the approval of the Division to offer courses to meet the educational requirements for the original certification of an inspector under chapter 645D of NRS, the]~~ *An approved* school shall, as a condition of the approval:

1. Maintain a record of each student's attendance and certification in ~~[any of those courses.]~~ *an approved course*. The records must ~~[be]~~ :

(a) *Include, without limitation:*

(1) *The name of the student;*

(2) *The title, description and number of the approved course;*

(3) *The dates of attendance;*

(4) *The hours of instruction attended by the student;*

(5) *The score achieved by the student on the final examination; and*

(6) *A statement of whether the student passed or failed the approved course;*

(b) *Be* maintained for 3 years after the enrollment of the student ; and ~~[must be]~~

(c) *Remain* open for inspection by the Division, upon its request, during the school's business hours.

2. Upon the request of a transferring student, furnish the school to which the student is transferring a copy of his attendance record and certification for each ~~[of those courses]~~ *approved course* that he has completed.

3. Upon the request of a student, furnish the Division with a transcript of the record of the grades and attendance of the student.

**Sec. 23.** NAC 645D.238 is hereby amended to read as follows:

645D.238 1. ~~[A school that the Division has approved to give a course fulfilling the educational requirements for the original certification of an inspector under chapter 645D of~~

~~NRS~~ *An approved school* shall require each student *in an approved course* to attend the required number of hours of instruction and pass ~~an~~ *a final* examination in the *approved* course *with a score of not less than 75 percent* to attain the certification.

2. The school may certify only the number of hours for which the course has been approved by the Division.

3. The completion of a portion of ~~a~~ *an approved* course is not acceptable to satisfy certification requirements.

~~[4.—As used in this section, “hour of instruction” means 50 minutes or more. The Division will deem 15 hours of instruction equal to one semester credit.]~~

**Sec. 24.** NAC 645D.240 is hereby amended to read as follows:

645D.240 1. The Division will monitor *and evaluate an approved course*. ~~[the courses taken by applicants to ensure that the courses are of the highest quality.]~~ The courses will be evaluated with the assistance of the ~~[University and Community College System of Nevada.—2.—Courses]~~ *Nevada System of Higher Education*.

2. *The Division will not approve a course* designed to develop or improve clerical, office or business skills that are not related to the inspection process, including, but not limited to, typing, shorthand, the operation of business machines, the use of computers, improvement of memory, writing letters or business courses in advertising, marketing or psychology, ~~[will not be accepted to fulfill units of education which are required for certification.]~~ *as a course of instruction in preparation for an original certificate*.

**Sec. 25.** NAC 645D.241 is hereby amended to read as follows:

645D.241 1. A school may file with the Division a written request for a hearing before a hearing officer if the:

(a) School's application for approval of a course is denied; or

(b) Administrator determines that an approved school or course no longer complies with the standards prescribed in this chapter and the approval of the school or course is withdrawn.

2. ~~[The]~~ *Except as otherwise provided in section 7 of this regulation, the* request must be filed within 20 calendar days after receiving the order of denial or withdrawal of approval. ~~[The]~~ *Except as otherwise provided in section 7 of this regulation, the* hearing officer shall hold the hearing within 90 calendar days after the request for a hearing is filed unless the school makes a written request for a continuance and the hearing officer grants that request. The hearing officer shall decide the matter within 90 calendar days after the hearing. Except as otherwise provided in this subsection, the hearing officer shall conduct the hearing in the same manner as a hearing conducted pursuant to NAC 645D.700.

**Sec. 26.** NAC 645D.242 is hereby amended to read as follows:

645D.242 ~~[A school approved by the Division]~~ *An approved school* shall not make any misrepresentation in its advertising about any course of instruction that it offers ~~[to fulfill requirements for certification under this chapter. Any advertisement must specify that such courses have been approved by the Division.]~~ *in preparation for an original certificate.*

**Sec. 27.** NAC 645D.243 is hereby amended to read as follows:

645D.243 1. ~~[A school that conducts courses approved by the Division]~~ *An approved school* shall employ as ~~[instructors of those courses only persons who possess:]~~ *an instructor of an approved course only a person who possesses:*

(a) A good reputation for honesty, integrity and trustworthiness; ~~[and]~~

(b) *The ability to exercise control over the students in the classroom; and*

(c) At least one of the following qualifications, unless granted a special exemption by the Division:

(1) A bachelor's degree in the field in which the person is instructing.

(2) Current experience teaching subjects relating to the inspection of structures in the ~~University and Community College System of~~ Nevada *System of Higher Education* or another institution which awards degrees. ~~[The person must demonstrate to the satisfaction of the Division the academic training or work experience that qualifies him to teach the course.]~~

(3) Five years of full-time experience, other than in a secretarial position, working in a job directly related to the subject taught.

(4) Three years of experience teaching the specific subject.

2. ~~[Such a]~~ *An instructor must demonstrate to the satisfaction of the Division the academic training or work experience that qualifies him to teach an approved course.*

3. *An approved* school shall not employ, without the written approval of the Division, an instructor who has been subject to discipline by *the Division or* any licensing authority ~~[within]~~ :

(a) *Within* the 5 years immediately preceding the employment ~~[, or who has been subject to discipline by the Division more]~~ ; *or*

(b) *More* than twice.

~~[3.—Such a]~~

4. *An approved* school shall limit guest lecturers who are not approved *as instructors* by the Division to a total of 10 percent of the instructional hours ~~[per]~~ *of an* approved course. A guest lecturer must be an expert in the subject that he teaches.

5. *An approved instructor must be present in the classroom at all times during the hours of instruction of an approved course.*

**Sec. 28.** NAC 645D.244 is hereby amended to read as follows:

645D.244 1. The Division may revoke its approval of a particular instructor who is employed by ~~[a school which conducts courses approved by the Division]~~ *an approved school* if:

(a) Any licensing authority has taken disciplinary action against the instructor; ~~[or]~~

(b) *The instructor fails to exercise control over the students in the classroom or maintain complete records of their attendance; or*

(c) After an audit of the course and review of the evaluations of the course, the Division concludes that the instructor is not qualified to instruct the course.

2. The Division will give the instructor and school written notice that it has revoked the approval of the instructor. The written notice must specify the reason for the revocation.

3. An instructor may appeal the decision of the Division to revoke his approval by making a written demand to the Division for a hearing within 20 ~~[calendar]~~ days after the instructor receives the written notice pursuant to subsection 2.

4. Within 90 days after receipt of a written demand for such a hearing, a hearing officer shall conduct the hearing . ~~[in the same manner as a hearing conducted pursuant to NAC 645D.700.]~~

**Sec. 29.** NAC 645D.245 is hereby amended to read as follows:

645D.245 ~~[A course of instruction,]~~ *An approved course*, to comply with the requirements of NAC 645D.210 for an applicant for certification as a certified residential inspector, must consist of at least 40 hours of instruction in a classroom, including instruction relating to the inspection of structures pursuant to the requirements of NAC 645D.480 to 645D.580, inclusive.

**Sec. 30.** NAC 645D.246 is hereby amended to read as follows:

645D.246 ~~[A course of instruction,]~~ *An approved course*, to comply with the requirements of NAC 645D.220 for an applicant for certification as a certified general inspector, must consist of at least 50 hours of instruction in a classroom, including instruction relating to the inspection of structures pursuant to the requirements of NAC 645D.480 to 645D.580, inclusive.

**Sec. 31.** NAC 645D.247 is hereby amended to read as follows:

645D.247 ~~[A course of instruction,]~~ *An approved course*, to comply with the requirements of NAC 645D.230 for an applicant for certification as a certified master inspector, must consist of at least 60 hours of instruction in a classroom, including instruction relating to the inspection of structures pursuant to the requirements of NAC 645D.480 to 645D.580, inclusive.

**Sec. 32.** NAC 645D.248 is hereby amended to read as follows:

645D.248 1. An owner, instructor or affiliate of ~~[a school approved by the Division]~~ *an approved school* or other person associated with the school shall not take an examination for a certificate conducted by the Division or its agent unless he first submits to the Division:

(a) A written statement that his purpose in taking the examination is to fulfill one of the requirements for obtaining a certificate; and

(b) A written agreement to apply for a certificate upon passing the examination.

2. Such a school or ~~[anyone]~~ *any person* associated with its operation shall not:

(a) Solicit information from any person to discover past questions asked on any such examination; or

(b) Distribute to any person a copy of the questions or otherwise communicate to him the questions without the prior written approval of the owner of the copyright to the questions.

**Sec. 33.** NAC 645D.249 is hereby amended to read as follows:

645D.249 1. Within 15 ~~calendar~~ days after the occurrence of any material change in ~~an~~ *an approved* school which would affect its approval by the Division, the school shall give the Division written notice of that change.

2. To qualify for annual renewal of approval by the Division, ~~an~~ *an approved* school must submit to the Division before July 1:

(a) A written certification, in a form prescribed by the Division, declaring that the school meets all applicable requirements of this chapter; and

(b) A sworn statement, in a form prescribed by the Division, declaring that the information contained in the original application is current or, if it is not current, a list of all material changes.

3. The Division may deny renewal of approval to any school that does not meet the standards required by this chapter.

4. Within 60 ~~calendar~~ days after a decision is made to deny renewal of approval, the Division will send written notice of the decision and the basis for that decision by certified mail to the last known address of the school.

**Sec. 34.** NAC 645D.320 is hereby amended to read as follows:

645D.320 ~~1.~~ The Division will issue a certificate to each eligible person in such form and size as is prescribed by the Division. Each certificate ~~must:~~

~~—(a) Set forth the name and address of the certified inspector;~~

~~—(b)~~ *will, in addition to the information required pursuant to NRS 645D.230:*

*1.* Set forth the type of certificate; and

~~(c)~~ *2.* Have imprinted thereon the seal of the Division.

~~[2.—A certificate is valid for 2 years after the first day of the first calendar month immediately following the date it is issued.~~

~~—3.— If a certified inspector fails to apply for the renewal of his certificate and pay the fee for renewal before the certificate expires, and applies for renewal:~~

~~—(a) Not later than 1 year after the date of expiration, he must pay a fee equal to 150 percent of the amount otherwise required for renewal.~~

~~—(b) Later than 1 year after the date of expiration, he must apply in the same manner as for an original certificate.]~~

**Sec. 35.** NAC 645D.390 is hereby amended to read as follows:

645D.390 1. To renew an active certificate, a certified inspector must complete 20 hours of approved education, including ~~[at]~~, *without limitation:*

(a) *At* least 3 hours of instruction on issues relating to the safety of any inhabitants of a structure being inspected and the inspector conducting the inspection ~~[;]~~; *and*

(b) *At least 2 hours of instruction in the provisions of this chapter and chapter 645D of NRS.*

↪ *The education must be completed* in the 2 years ~~[before]~~ *immediately preceding* the date of renewal.

2. To reinstate a certificate expired more than 60 days but less than 1 year, a certified inspector must complete 30 hours of approved education, including ~~[at]~~, *without limitation:*

(a) *At* least 3 hours of instruction on issues relating to the safety of any inhabitants of a structure being inspected and the inspector conducting the inspection ~~[;]~~; *and*

(b) *At least 2 hours of instruction in the provisions of this chapter and chapter 645D of NRS.*

3. As used in this section, “hour of approved education” means at least 50 minutes of actual time spent receiving instruction in a course approved by the Division.

Sec. 36. NAC 645D.4355 is hereby amended to read as follows:

645D.4355 1. ~~{Courses}~~ *A course of instruction* for continuing education must ~~{contain:}~~ *include:*

(a) Current information ~~{on}~~ *concerning* inspection practices that will improve the professional knowledge of the holder of a certificate and enable him to provide better service to the public.

(b) Information that ~~{pertains to pertinent}~~ *relates to applicable* state and federal laws and regulations relating to inspections or inspection practices.

2. The Division considers courses in the following areas to be acceptable for continuing education:

(a) Legislative issues that concern holders of certificates or the practice of inspecting structures, including, without limitation, pending and recent legislation;

(b) The administration of laws and regulations governing inspections of structures, including, without limitation, certification, enforcement, office management and employees' contracts;

(c) The relationship of an inspection report to a real estate transaction;

(d) The evaluation of a structure and its components, including, without limitation, the evaluation of the items set forth in NAC 645D.480 to 645D.580, inclusive, and studies of feasibility;

(e) Real estate and inspection mathematics;

(f) The nature of inspections;

(g) The purpose and use of inspections;

(h) Methods of inspection; ~~{and}~~

(i) Construction ~~{ }~~; *and*

*(j) Computer software relating to inspections or inspection practices.*

3. If the sponsor agrees to comply with all other requirements of approval, the Division will accept without specific approval any course in inspection practices or directly related subjects if the course has been previously approved by the Division.

**Sec. 37.** NAC 645D.4365 is hereby amended to read as follows:

645D.4365 1. An application for approval of a distance education course or a *classroom* course ~~[given in Nevada]~~ for continuing education must be submitted to the Division on a form provided by the Division.

2. The Division will not give retroactive approval for such a course.

3. In determining whether to approve a course pursuant to this section, the Division will consider:

(a) Whether the course consists of at least 2 hours of instruction.

(b) Whether the sponsor of the course is willing to certify to the attendance of holders of certificates at the course.

(c) Whether the sponsor is willing to maintain for 3 years a record of attendance that contains:

(1) The name of each holder of a certificate in attendance and the number of his certificate.

(2) The title and description of the course.

(3) The hours of instruction attended by the holder of a certificate and the dates of his attendance.

(4) A statement or indication whether the holder of a certificate passed or failed the course, if applicable.

(d) Whether the sponsor of the course is willing to ~~assure~~ *ensure* that an approved instructor will preside throughout the course.

(e) In the case of distance education courses:

(1) Whether the holder of a certificate will be required to complete:

(I) A written examination proctored by ~~an official~~ *a person* approved by the Division;

or

(II) If the course does not include such an examination, the course mechanisms required by the Division for accreditation of the course; and

(2) Whether the course is presented by an accredited college or university or has received approval for college credit from the American Council on Education's College Credit Recommendation Service.

(f) In the case of presentations by videotape, whether the sponsor will provide an approved instructor at the site of the presentation to supplement and control instruction in the course.

(g) *Whether the course provides not more than 8 hours of instruction per day.*

(h) Any other criteria that the Division deems appropriate.

4. For all approved courses, the sponsor shall provide a certified copy of the record of completing the course to the holder of a certificate upon his completion of the course. The Division will accept the certificate as proof of the holder's attendance for the purpose of renewing or reinstating his certificate. If the course is taken at a university or community college, the proof of attendance must include a certified transcript. The certificate of a sponsor must contain the:

(a) Name of the sponsor;

(b) Name of the holder of a certificate and his certificate number;

- (c) Number of hours of instruction;
- (d) Dates of instruction;
- (e) Title of the course or seminar;
- (f) Sponsor's number assigned by the Division; and
- (g) ~~Signature of the~~ *Original signature of a* person authorized to sign for the sponsor.

5. The Division may grant approval for courses of continuing education offered by a nationally recognized organization of inspectors without considering a specific application.

**Sec. 38.** NAC 645D.460 is hereby amended to read as follows:

645D.460 A certified inspector shall:

1. Perform his duties with the highest standard of integrity, professionalism and fidelity to the public and the client, with fairness and impartiality to all.
2. Avoid association with any person or enterprise of questionable character or any endeavor that creates an apparent conflict of interest.
3. Conduct his business in a manner that will assure his client of the inspector's independence from outside influence and interest which would compromise his ability to render a fair and impartial inspection.
4. Not disclose any information concerning the results of an inspection without the approval of the client or his representative for whom the inspection was performed.
5. Not accept compensation, financial or otherwise, from more than one interested party for the same service on the same property without the consent of all interested parties.
6. Not ~~accept commissions or allowances from or offer commissions or allowances to,~~ *whether* directly or indirectly, ~~other parties~~ *accept a benefit from, or offer a benefit to, a person who is* dealing with the client in connection with work for which the inspector is

responsible. *As used in this subsection, “benefit” includes, without limitation, a commission, fee, allowance, or promise or expectation of a referral for other work.*

7. Not express the estimated market value of an inspected property while conducting an inspection.

8. Not use the term or designation “state certified inspector” unless he is ~~in fact~~ certified.

9. Before the execution of a contract to perform an inspection, disclose to the client any interest of the inspector in a business that may affect an interest of the client.

10. Not allow his interest in any business to affect the quality or results of an inspection.

**Sec. 39.** NAC 645D.470 is hereby amended to read as follows:

645D.470 A certified inspector shall not, while making an inspection:

1. Offer to perform or perform any act or service that is unlawful.
2. Offer warranties or guaranties of any kind.
3. Offer to perform or perform any job function for which he does not have a license, including, but not limited to, the services of an engineer, architect, plumber or electrician.
4. Calculate the strength, adequacy or efficiency of any system or component.
5. Enter any area or perform any procedure that may damage any part of the structure being inspected or endanger any person, including, but not limited to, the certified inspector.
6. Operate any system or component that is shut down or otherwise inoperable.
7. Operate any system or component that does not respond to normal operating controls.
8. Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including, but not limited to, toxins, *molds and other fungi*, carcinogens, *radon*, noise or contaminants, unless he is licensed or certified to make such inspections and determinations.

9. Determine the effectiveness of any system installed to control or remove suspected hazardous substances.
10. Predict the future condition of any system or component, including, but not limited to, the failure of a component.
11. Project the operating costs of any component.
12. ~~[Evaluate the acoustical characteristics of any system or component.]~~ *Repair a defect identified during the inspection.*

**Sec. 40.** NAC 645D.620 is hereby amended to read as follows:

- 645D.620 1. A certified inspector shall keep *at his place of business, or other location approved by the Division*, a copy of the inspection report, work file and any other pertinent information relating to each inspection he conducts for at least 3 years after the completion of the inspection. Only one set of files need be maintained, but the information must be available to all participating inspectors.
2. All inspections conducted by a certified inspector must be filed in an orderly fashion, including, but not limited to, numerically, chronologically by date or alphabetically, to permit an audit by a representative of the Division.
  3. The inspection report, ~~[workfile]~~ *work file* and other pertinent information relating to an inspection must be open to inspection and audit by the Division upon its request during its usual business hours, as well as other hours during which the certified inspector regularly conducts his business.
  4. The certified inspector shall give written notice to the Division of the exact location of his records and may not remove them until he has delivered a notice that informs the Division of the new location.

**Sec. 41.** NAC 645D.730 is hereby amended to read as follows:

645D.730 1. Any person aggrieved by an action of the Division, except the revocation or suspension of a ~~license~~ *certificate issued* pursuant to this chapter, may petition the Division for reconsideration of its action within 15 days after its order.

2. The petition must be in writing and state in detail the grounds on which the petitioner relies.

3. If the petitioner desires to present oral argument with his petition, oral argument must be requested in writing at the time the petition is submitted to the Administrator. If oral argument is requested, the Division will set a time for a hearing to occur not later than 20 days after receipt of the petition. The Division will give at least 15 days' notice of the hearing.

4. Not later than 15 days after receiving the petition or hearing of oral argument, the Division will render a decision in writing to the petitioner.

**Sec. 42.** NAC 645D.200 is hereby repealed.

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**TEXT OF REPEALED SECTION**

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**NAC 645D.200 “Hour of academic instruction” defined. (NRS 645D.120)** As used in NAC 645D.200 to 645D.230, inclusive, “hour of academic instruction” means at least 50 minutes of actual time spent receiving instruction.

**NOTICE OF ADOPTION OF PROPOSED REGULATION  
LCB File No. R144-06**

The Real Estate Division of the Department of Business and Industry adopted regulations assigned LCB File No. R144-06 which pertain to chapter 386 of the Nevada Administrative Code.

**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.**

Notice of the proposed regulations were posted on the Real Estate Division website and in various other public locations where both the public and other interested persons would have access to that information. The Division conducted a public workshop August 31, 2006, in Las Vegas, which was video-conferenced to Carson City. The Adoption Hearing was conducted in Las Vegas on December 29, 2006. Public comment was solicited at the both the workshop and the adoption hearing.

Interested persons were instructed to contact Joanne Gierer, Legal Administrative Officer for the Real Estate Division, if they wished to obtain copies of the comment summaries.

- 2. The number of persons who:**

	CARSON CITY <u>08/31/06</u>	LAS VEGAS <u>08/31/06</u>	LAS VEGAS <u>12/29/06</u>
Attended Workshops:	6	25	
Attended Adoption hearing:			13
Submitted written comments:	3	22	2

- 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.**

A mass email was sent to anyone who had an email address on file with the Division, which was determined to be 70 % of all certified inspectors. The email contained a reminder to attend the workshop as well as instruction on how to submit written comments to the Division.

Interested persons were instructed to contact Joanne Gierer, Legal Administrative Officer for the Real Estate Division, if they wished to obtain copies of the comment summaries.

- 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.**

There were amendments made to the regulation based upon public comment made at the workshops and adoption hearing as well as written comment that was submitted to the legal administrative officer prior to the workshop and the adoption hearing.

**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:**

**Business which it is to regulate:**

**(1) Both adverse and beneficial effects:**

**Beneficial effects:** Changes to the educational requirements include a requirement of 4 hours of Nevada law (Chapter 645D) for pre-certification and two hours of Nevada law (Chapter 645D) for continuing education. The hours are not additional hours, but rather required designated hours within the required hours.

**Adverse effects:** There are no anticipated adverse effects to a business by the adoption of this regulation.

**(2) Both immediate and long-term effects.**

**Immediate effects:** The additional educational requirement will ensure that certified inspectors know Nevada law and stay abreast of updates and changes to the law as it pertains to Chapter 645D.

**Long-term effects:** The inclusion of newly required law hours in both the pre-certification and continuing education will result in complaint inspection procedures which will benefit the public.

**Public:**

**(1) Both adverse and beneficial effects:**

**Beneficial effects:** Consumers will benefit from having better educated inspectors.

**Adverse effects:** There are no anticipated adverse effects to the public by the adoption of this regulation.

**(2) Both immediate and long-term effects:**

**Immediate effects:** Same as in (1).

**Long-term effects:** Same as in (1)

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

No additional cost is incurred for the enforcement of the adopted regulations. The Inspector of Structures Program Officer is responsible to review continuing education curriculums submitted for approval by the Administrator and the Program Officer also review the pre-licensing curriculum for an annual approval.

Any violation of law complaint is investigated by the Division Compliance Section.

- 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 is no other state, federal or other governmental agency's regulations which the proposed regulations duplicate or overlap.

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

None.

- 8. 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.**

There are no proposed new fees or increase to any existing fees as part of this regulation.