

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

LCB File No. R153-06

July 5, 2006

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

AUTHORITY: §§1-4, NRS 119A.170 and 119A.190.

A REGULATION relating to time shares; setting forth provisions governing the issuance, validity and limitations of a provisional sales agent's license issued by the Real Estate Division of the Department of Business and Industry; and providing other matters properly relating thereto.

Section 1. Chapter 119A of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. 1. *The Division will grant a provisional sales agent's license to an applicant who has submitted:*

(a) A complete application for a sales agent's license in compliance with NRS 119A.210 and NAC 119A.075 and 119A.077;

(b) A written statement of acknowledgement from the project broker who will employ the applicant that:

(1) The project broker has obtained a report on the background of the applicant from a licensed private investigator or other reputable source acceptable to the Division; and

(2) There is a written agreement between the project broker and the applicant in which the applicant states that he understands and agrees that his employment in a position as a licensed sales agent will be terminated if the Division denies his application; and

(c) A copy of the report described in subparagraph (1) of paragraph (b), which must demonstrate that the applicant has not been convicted of, or pleaded guilty or nolo contendere to, any crime that would be grounds for the Division to deny the application pursuant to NAC 119A.085.

2. The Division will issue a written receipt to an applicant verifying his complete submission of all of the required items set forth in subsection 1. The written receipt will serve as the applicant's provisional sales agent's license.

Sec. 3. 1. *A provisional license granted to an applicant by the Division will expire automatically:*

(a) If the Division denies the applicant's application;

(b) Upon the applicant's receipt of a sales agent's license;

(c) If the Division denies the applicant an identification card or permit of any kind; or

(d) If the applicant terminates employment with the project broker who provided the

written statement of acknowledgment identified in section 2 of this regulation.

2. If the Division denies the applicant's application, the applicant:

(a) May request a hearing to contest the denial of the application pursuant to NAC 119A.090; and

(b) Shall not work as a sales agent or in any other position that requires a sales agent's license while the decision on the appeal requested pursuant to paragraph (a) is pending.

Sec. 4. 1. *A provisional licensee shall not:*

(a) Conduct sales-related activities unless he is:

(1) Under the supervision of his project broker or a licensed sales agent of his project broker; and

(2) At the principal place of business or a branch office of the project broker, or at the physical location of a time share development.

(b) Collect personal information from a prospective purchaser or purchaser of a time share.

2. A project broker shall not grant to a provisional licensee:

(a) Access to a time share lockbox; or

(b) The ability to enter a private residence or a time share unit that an unlicensed person otherwise would not have.

3. A project broker or his licensed sales agent shall:

(a) Supervise the provisional licensee employed by the project broker; and

(b) Review and approve in writing any contract prepared by the provisional licensee that relates to the sale of a time share.

4. A provisional licensee may:

(a) Receive a commission for the sale of a time share in which the provisional licensee is involved; and

(b) Share any applicable commission with the project broker or licensed sales agent supervising the provisional licensee.

5. As used in this section:

(a) "Personal information" has the meaning ascribed to it in NRS 603A.040; and

(b) “Provisional licensee” means an applicant who receives a provisional sales agent’s license from the Division pursuant to section 2 of this regulation.