

**PROPOSED REGULATION OF THE
REAL ESTATE COMMISSION**

LCB File No. R157-08

August 29, 2008

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

AUTHORITY: §1, NRS 645.190; §§2 and 3, NRS 645.190 and 645.780; §4, NRS 645.190 and 645.400; §5, NRS 645.050, 645.190 and 645.605; §6, NRS 645.190, 645.343 and 645.575; §§7-9, NRS 645.190 and 645.575.

A REGULATION relating to real estate; requiring the Real Estate Division of the Department of Business and Industry to provide on its website certain information concerning courses that satisfy educational requirements for holders of a license, permit, certificate or registration issued by the Division; authorizing certain persons to electronically transfer to the Division's website certain information concerning credits obtained for continuing education and postlicensing education courses; revising the definition of "school" for the purposes of provisions governing educational requirements for applicants for and holders of a license, permit, certificate or registration issued by the Division; revising the educational requirements for the renewal of a license of a real estate broker, real estate broker-salesman and real estate salesman whose license has been placed on inactive status; and providing other matters properly relating thereto.

Section 1. Chapter 645 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. *The Division shall provide information on the website created and maintained pursuant to NRS 645.780 concerning courses which satisfy the educational requirements, if any, for the issuance of an original license, permit, certificate or registration pursuant to this chapter and chapter 645 of NRS and courses for continuing education and postlicensing education offered for licensees and holders of a permit, certificate or registration issued pursuant to this chapter and chapter 645 of NRS. The information must include, without limitation:*

- 1. The name of each sponsor of a course;*
- 2. Whether the course is designated as satisfying educational requirements for the issuance of an original license, permit, certificate or registration, as a course for continuing education or as a course for postlicensing education;*
- 3. Whether the Commission has granted approval of the course for educational requirements for the issuance of an original license, permit, certificate or registration, for continuing education or for postlicensing education; and*
- 4. The following details concerning those courses for which the Commission has granted approval for educational requirements for the issuance of an original license, permit, certificate or registration, for continuing education or for postlicensing education:*
 - (a) The number of the course assigned by the Division;*
 - (b) The title of the course and the name of the sponsor of the course;*
 - (c) If the course is designated as a course for continuing education, whether the Commission granted approval for the course in the area of ethics, professional conduct or the legal aspects of real estate;*
 - (d) If the course is designated as a course for postlicensing education, the module for which the Commission granted approval;*
 - (e) The date of the expiration, if any, of the approval of the course;*
 - (f) The number of hours of credit for educational requirements for original licensing, continuing education or postlicensing education for which the course is approved; and*
 - (g) The manner in which instruction of the course will be delivered.*

Sec. 3. 1. The Division shall allow licensees and holders of permits, certificates and registrations issued pursuant to the provisions of this chapter and chapter 645 of NRS to use

the website created and maintained pursuant to NRS 645.780 to verify information concerning credits for continuing education or postlicensing education obtained during the current renewal period and the renewal period immediately preceding the period for which the license, permit, certificate or registration is held. The information provided may include, without limitation:

(a) The name and license number of the licensee or holder of the permit, certificate or registration;

(b) The title of the course, the name of the sponsor of the course and the number of the course assigned by the Division;

(c) If the course was designated as a course for continuing education, whether the Commission granted approval for the course in the area of ethics, professional conduct or the legal aspects of real estate;

(d) If the course was designated as a course for postlicensing education, the module for which the Commission granted approval;

(e) The number of hours of credit for continuing education or postlicensing education obtained by the licensee or holder of the permit, certificate or registration;

(f) The date of completion of a course of continuing education or postlicensing education taken by the licensee or holder of the permit, certificate or registration; and

(g) The number of hours of credit for continuing education or postlicensing education for which the course was approved.

2. The Division shall allow sponsors of a course for continuing education or postlicensing education, licensees and holders of permits, certificates and registrations issued pursuant to the provisions of this chapter and chapter 645 of NRS and the licensees and holders of

permits, certificates and registrations who attended those courses to electronically transfer information concerning credits obtained for continuing education or postlicensing education to the website created and maintained pursuant to NRS 645.780. As appropriate, the Division shall enter that information in the file of the licensee or holder of a permit, certificate or registration located in the database of the Division.

Sec. 4. NAC 645.150 is hereby amended to read as follows:

645.150 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-salesman until he 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 own expense.

2. An applicant for a license as a real estate broker shall be deemed financially responsible if he can show liquid assets sufficient to maintain an office *in this State* 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 right to appeal pursuant to NRS 645.440 by acceptance of a license as a real estate broker-salesman.

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.

Sec. 5. NAC 645.185 is hereby amended to read as follows:

645.185 1. A certificate authorizing an out-of-state broker to cooperate with a Nevada broker is valid for 12 months after the date of issuance. The fee paid for the issuance covers that period. The certificate is not transferable.

2. An out-of-state broker holding such a certificate shall immediately report any change in his address to the Administrator.

3. If, at any time during which a cooperative certificate is in effect, the out-of-state broker or the Nevada broker wishes to terminate the relationship, he must give written notice of the termination to the Division and the broker with whom he has been cooperating and the out-of-state broker shall immediately surrender his certificate to the Division.

4. If the license of the out-of-state broker expires or is inactivated, suspended, revoked or cancelled, he shall immediately give written notice to the Division of each Nevada broker with whom he is cooperating and surrender his cooperative certificate to the Division.

5. The Administrator may not issue a cooperative certificate to an out-of-state association, partnership or corporation which is licensed as a broker. Only a natural person who is a broker may be issued such a certificate.

6. When acting under a cooperative certificate, an out-of-state broker shall work through the cooperating Nevada broker or a licensee associated with a Nevada broker. The Nevada broker is in charge of the transaction from beginning to end.

7. Any money received in a cooperative transaction may be handled only by the cooperating Nevada broker in accordance with NRS 645.310.

8. Each out-of-state broker, while cooperating with a Nevada broker, is governed by the provisions of this chapter and chapter 645 of NRS. Any violation of such a provision by the out-of-state broker subjects his cooperative certificate and the Nevada broker's license to fine or

suspension, or both, or revocation. By accepting a cooperative certificate, the out-of-state broker shall be deemed to have appointed the Nevada broker as his agent for service of all notices and process in any proceeding initiated by the Division pursuant to chapter 645 of NRS.

9. A cooperating out-of-state broker may authorize only one broker-salesman or one salesman employed by him to act in his behalf. The authorization must be on a form supplied by the Division, and a copy must be sent to the Division before the authorized representative of the out-of-state broker may conduct any transaction. The authorized representative shall carry the completed form with him whenever he is in Nevada for the purpose of conducting his real estate business. The Division shall establish the time during which the authorization is valid. Such an authorization is renewable.

10. An out-of-state broker may cooperate with more than one Nevada broker and a Nevada broker may cooperate with more than one out-of-state broker. Each arrangement is considered a separate agreement for which the appropriate form must be completed and submitted, the appropriate fee paid and a separate cooperative certificate obtained.

11. An out-of-state broker may not use a cooperating broker's certificate as authority to sell *or lease* or attempt to sell *or lease* real estate in Nevada to a resident of Nevada. Such a certificate may be used only for the purpose of allowing the out-of-state broker or salesman to offer real estate in Nevada for sale *or lease* to a person other than a resident of Nevada.

Sec. 6. NAC 645.400 is hereby amended to read as follows:

645.400 For the purposes of NAC 645.400 to 645.467, inclusive, "school" includes:

1. Any university, school or community college which is a part of the Nevada System of Higher Education, or any other university or college bearing the same or an equivalent accreditation.

2. Any professional school or college licensed by the ~~[Nevada]~~ Commission on Postsecondary Education.

3. Any ~~[out-of-state professional school or college licensed or accredited by a real estate commission, a department of education or an equivalent agency of any other state.]~~ *other college or school approved by the Real Estate Commission.*

Sec. 7. NAC 645.445 is hereby amended to read as follows:

645.445 1. ~~[To renew an active license, the licensee must provide the Division with proof that he has met the requirements set forth in paragraph (a) of subsection 1 of NRS 645.575. —2.]~~ To *renew an active license or to* reinstate a license which has been placed on inactive status, a person must provide the Division with proof that he has met the requirements set forth in ~~[paragraph (b) of subsection 1 of NRS 645.575.]~~ *NAC 645.448.*

~~[3.]~~ 2. For the purpose of compliance with this section, 50 or more minutes of actual instruction constitutes a clock hour and “ initial licensing ” refers to the first issuance of a real estate license of any kind in Nevada.

~~[4.]~~ 3. A licensee may petition the Administrator for an extension of time in which to comply with the requirements for continuing education. The Administrator may grant such an extension if he finds the licensee has a severe hardship resulting from circumstances beyond his control which has prevented him from meeting the requirements.

Sec. 8. NAC 645.448 is hereby amended to read as follows:

645.448 1. Except as otherwise provided in subsection 3, a real estate salesman who wishes to renew his license must complete at least 24 hours of continuing education at approved educational courses, seminars or conferences during the ~~[license]~~ *renewal* period for the license.

Not less than 12 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

- (a) Three hours in the area of agency relationships;
- (b) Three hours in the area of Nevada law with an emphasis on recent statutory and

regulatory changes;

- (c) Three hours in the area of contracts; and
- (d) Three hours in the area of ethics.

2. Except as otherwise provided in subsection 3, a real estate broker or real estate broker-salesman who wishes to renew his license must complete at least 24 hours of continuing education at approved educational courses, seminars or conferences during the ~~license~~ *renewal* period for the license. Not less than 15 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

- (a) Three hours in the area of agency relationships;
- (b) Three hours in the area of Nevada law with an emphasis on recent statutory and

regulatory changes;

- (c) Three hours in the area of contracts;
- (d) Three hours in the area of ethics; and
- (e) Three hours in the area of broker management.

3. The requirements for continuing education set forth in subsections 1 and 2 do not apply to the renewal of a license upon the expiration of the initial license.

4. If a license has been placed on inactive status and the licensee wishes to have the license reinstated, the licensee must comply with the following requirements:

(a) If the license was on inactive status for ~~[1-year]~~ *2 years* or less, ~~[all]~~ *any part* of which was during the period of the initial license, the licensee must complete the 30-hour postlicensing course described in NAC 645.4442.

~~(b) [If the license was on inactive status for more than 1 year but less than 2 years, any part of which was during the period of the initial license, the licensee must complete at approved educational courses, seminars or conferences:~~

~~——(1) The 30-hour postlicensing course described in NAC 645.4442; and~~

~~——(2) At least 18 hours of continuing education. Not less than 12 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:~~

~~——(I) Three hours in the area of agency relationships;~~

~~——(II) Three hours in the area of Nevada law with an emphasis on recent statutory and regulatory changes;~~

~~——(III) Three hours in the area of contracts; and~~

~~——(IV) Three hours in the area of ethics.~~

~~(c)]~~ If the license was on inactive status for 2 years or less, no part of which was during the period of the initial license, the licensee must complete at least 24 hours of continuing education at approved educational courses, seminars or conferences. Not less than 12 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

(1) Three hours in the area of agency relationships;

(2) Three hours in the area of current Nevada law with an emphasis on recent statutory and regulatory changes;

(3) Three hours in the area of contracts; and

(4) Three hours in the area of ethics.

~~[(d)]~~ (c) If the license was on inactive status for more than 2 years, any part of which was during the period of the initial license, the licensee must complete at approved educational courses, seminars or conferences:

- (1) The 30-hour postlicensing course described in NAC 645.4442; and
- (2) At least 24 hours of continuing education. Not less than 12 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:
 - (I) Three hours in the area of agency relationships;
 - (II) Three hours in the area of current Nevada law with an emphasis on recent statutory and regulatory changes;
 - (III) Three hours in the area of contracts; and
 - (IV) Three hours in the area of ethics.

~~[(e)]~~ (d) If the license was on inactive status for more than 2 years, no part of which was during the period of the initial license, the licensee must complete at least 48 hours of continuing education at approved educational courses, seminars or conferences. Not less than ~~[(12)]~~ 24 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

- (1) ~~[(Three)]~~ Six hours in the area of agency relationships;
- (2) ~~[(Three)]~~ Six hours in the area of current Nevada law with an emphasis on recent statutory and regulatory changes;
- (3) ~~[(Three)]~~ Six hours in the area of contracts; and
- (4) ~~[(Three)]~~ Six hours in the area of ethics.

5. Not more than 3 hours of any of the required hours set forth in this section for continuing education may be taken in courses for personal development.

6. As used in this section, “initial license” means the license of a person who is a first-year licensee and who:

(a) Did not hold a real estate license issued by another state or territory of the United States, or the District of Columbia, on the date on which the first-year licensee obtained a real estate license issued by the State of Nevada;

(b) Had not held a license as a real estate broker, real estate broker-salesman or real estate salesman issued by the State of Nevada within the 5 years immediately preceding the date on which the first-year licensee obtained a license as a real estate salesman; or

(c) Is licensed as a real estate broker-salesman and obtained the qualifications for licensure as a real estate broker-salesman pursuant to the provisions of subsection 2 of NRS 645.343.

Sec. 9. NAC 645.463 is hereby amended to read as follows:

645.463 1. ~~[A course may not be taken for credit to meet the requirements for continuing education more than once during any two consecutive periods for renewal of a license.~~

~~—2.]~~ 2. Courses taken to satisfy requirements for renewal or reinstatement of a license must be completed within 2 years immediately before the latest date for renewing or reinstating the license.

~~[3.]~~ 2. A licensee may receive credit for continuing education only upon certification by the sponsor that the licensee has attended and completed at least 90 percent of the course.

~~[4.]~~ 3. The sponsor shall determine whether a final examination is required for the completion of a course.