

Chapter 645 of NAC

LCB File No. T008-06

ADOPTED TEMPORARY REGULATION OF THE
REAL ESTATE COMMISSION

Filed with the Secretary of State on January 26, 2007

COMMISSION FILE NO. T645-01

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

AUTHORITY: NRS 645.194

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

Sec. 2. *The Real Estate Division shall make copies of the booklet prepared pursuant to NRS 645.194 available to licensees using one or more of the following distribution methods, including, but not limited to:*

- 1. Provide a printable version of the booklet on the Division's web site;*
- 2. Electronically provide the booklet to all approved real estate education sponsors;*
- 3. Authorize without permission the reproduction of the most recent version of the booklet;*
- 4. Provide printed copies of the booklet for use in approved education courses for pre-licensing, post licensing, and law update approved courses;*
- 5. Make available at the Division offices up to 10 printed copies of the booklet at no cost when supplies are available;*
- 6. Mail one copy to any licensee who requests a copy; and*
- 7. Provide one copy to any member of the public upon request at the Division.*

**NOTICE OF ADOPTION OF TEMPORARY REGULATION
LCB File No. T008-06**

The Real Estate Commission adopted temporary regulations assigned LCB File No. T008-06 which pertain to chapter 645 of the Nevada Administrative Code on September 19, 2006.

INFORMATIONAL STATEMENT

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 645.

- 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, libraries, the LCB 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 on September 19, 2006, in Las Vegas. Public comment was also solicited at the public hearing on September 19, 2006.

- 2. The number of persons who:**

	<u>CC N/A</u>	<u>LV (9/19/06)</u>
Attended workshop:		29
Submitted written comments:		0
Attended public hearing:		29
Submitted written comments:		1

- 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 public was invited to comment at the public workshop, the adoption hearing, or by writing to the Division. The Division held a Public Workshop on the proposed regulation on September 19, 2006. The Real Estate Commission took public comment at the adoption hearing September 19, 2006 and discussed and consider comments.

Interested persons may obtain a copy of comment summaries by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4033 ext. 222.

Minutes of the Commission's meetings are available on the Division website and by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4033, ext. 222.

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 regulation was adopted without change. Amendments were proposed at the adoption hearing, but the Commission determined that the amendment went beyond the intention of SB 332, Section 3, subsection 2, which states, "The Division shall make copies of the booklet prepared pursuant to subsection 1 available to licensees which the licensee must distribute to prospective buyers and sellers in the sale of residential property in accordance with the regulations adopted by the Commission." The proposed change would have tied the providing of the disclosure booklet into part of the duties owed in an agency relationship created between an agent and a client. The Commission intended that the booklet was to be distributed to a prospective buyer or seller, and not a limited to a client.

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:

(a) Both adverse and beneficial effects: A real estate licensee is required to distribute a disclosure booklet prepared by the Real Estate Division to prospective buyers and sellers in the sale of residential property. It is the responsibility of the licensee to provide the booklet, which is made available as described in the regulation. There is a cost to the licensee to make copies of the booklet. The booklet is intended to both inform the prospective buyer or seller, but also to assist the licensee in explaining the many disclosures that the prospective buyer or seller will be asked to sign or provide.

(b) Both immediate and long-term effects. Immediate and long-term effects are to promote public information and consumer protection by supplying the disclosure booklet to prospective buyers and sellers. Licensees are required to provide the most current copy of the disclosure booklet to each prospective buyer or seller.

Public:

(a) Both adverse and beneficial effects: and This regulation promotes public information and public protection by informing prospective buyers and sellers in a residential transaction relevant information concerning disclosures that are required by federal, state, and local laws and regulations.

(b) Both immediate and long-term effects: Immediate and long-term effects are to promote public information and consumer protection.

6. **The estimated cost to the agency for enforcement of the adopted regulation.** The booklet is a project of the Education Research and Recovery Fund, which is a special account funded by a fee paid by all real estate licensees. The Real Estate Commission has authority to determine, within budget authority, special projects such as the disclosure booklet. The booklet will be updated and revised by Division staff as needed with the Real Estate Commission approving the content.
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.**
Regulation does not overlap or duplicate any state or government agency.
8. **If the regulation includes provisions, which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**
None.
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.**
None.