

NOTICE OF INTENT TO ACT UPON A REGULATION

**NOTICE OF HEARING FOR THE ADOPTION OF
REGULATIONS OF THE REAL ESTATE DIVISION
DEPARTMENT OF BUSINESS AND INDUSTRY
STATE OF NEVADA**

The Nevada Real Estate Division of the Department of Business and Industry of the State of Nevada (the "Division") will hold public hearings to receive comments from all interested persons regarding the adoption of regulations.

Hearings

Carson City:

December 18, 1997 beginning at 9:00 AM
Legislative Counsel Bureau
Capitol Complex
401 South Carson Street, Room 1214
Carson City, Nevada 89701-4747

Las Vegas:

December 18, 1997 beginning at 9:00 AM
Grant Sawyer Building
555 E. Washington Avenue, Suite 4401
Las Vegas, NV 89101

If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

Information Regarding Adoption

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

Information about Proposed Regulations

Purpose and need for Regulation: The Division is the agency which administers the Inspectors of Structures Certification and compliance program under NRS 645D. The purpose of the regulations is to define and clarify the rights and responsibilities of persons licensed under this chapter.

Topics covered. Requires inspectors of structures to provide for certification and comply with minimum standards, certification and education requirements.

Estimated Economic Effect. The adverse economic effect on the regulated business consists of certification fees of a \$100.00 one time application fee and \$250.00 original certification and renewal fee paid every two years. Additional costs include general liability insurance and errors and omissions insurance in the approximate amount of \$2,500.00 per year; education in the approximate amount of \$1,000.00 per year. This will result in an anticipated increase in cost to the consumer of approximately 5-10%.

The immediate economic effects include the certification and education costs. The long-term economic effects will consist of ongoing certificate renewal and continuing education expenses. The costs associated with disciplinary hearings will likely increase over time.

The benefit of this regulation is to require minimum competency standards to protect the public from unqualified or unethical inspectors. The public will benefit through reduced legal costs resulting from unqualified and uninsured inspectors.

The estimated cost to the Real Estate Division for enforcement of the proposed regulation is \$36,556 for fiscal year 1997-1998, and \$27,524 for fiscal year 1998-1999.

These regulations are not required pursuant to any federal law.

The proposed regulations do not establish a new fee or increase an existing fee beyond the fees required pursuant to NRS chapter 645D.

Comments and Written Submissions

Persons wishing to comment on the proposed action of the Division may appear at the scheduled public hearings or may address their comments, data, views or arguments, in written form to:

Nevada Real Estate Division
Bradley Building
2501 E. Sahara Avenue
Las Vegas, NV 89104-4137
Attn: Matt Di Orio, Compliance Training Officer

Written submissions must be received by the Division by December 13, 1997.

Copies of Proposed Regulation

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation will be available at the following Division offices:

Nevada Real Estate Division
1665 Hot Springs Road
Carson City, NV 89710

Nevada Real Estate Division
Bradley Building
2501 East Sahara, Suite 202
Las Vegas, NV 89104-4137

and in all counties in which an office of the Division is not maintained, at the main public library, for inspection and copying by members of the public during business hours. The text of each regulation will include the entire text of any section of the Nevada Administrative Code which is proposed for amendment or repeal. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoptions and incorporate therein its reason for overruling the consideration urged against its adoption.

Posting

This notice of hearing has been posted at the following locations:

Nevada Real Estate Division
1665 Hot Springs Road
Carson City, NV 89710

Nevada Real Estate Division
Bradley Building
2501 East Sahara, Suite 202
Las Vegas, NV 89104-4137

Elko Conference Center
700 Moren Way (Silver Room)
Elko, Nevada 89801

State Library
100 Stewart Street
Carson City, Nevada

Churchill County Library
553 South Maine Street
Fallon, Nevada 89406

Douglas County Library
1625 Library Lane
Minden, Nevada 89423

Elko County Library
720 Court Street
Elko, Nevada 89801

Goldfield Public Library
Fourth & Crook Street
Goldfield, Nevada 89013

Eureka Branch Library
10190 Monroe Street
Eureka, Nevada 89316

Humboldt County Library
85 East 5th Street
Winnemucca, Nevada 89445

Lincoln County Library
93 Main Street
Pioche, NV 89043

Storey County Library
95 South R Street
Virginia City, Nevada 89440

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Mineral County Library
First & A Street
Hawthorne, Nevada 89415

Tonopah Public Library
171 Central Street
Tonopah, NV 89049

Pershing County Library
1125 Central Avenue
Lovelock, NV 89419

Washoe County Library
301 South Center Street
Reno, NV 89505

White Pine County Library
950 Campton Street
Ely, Nevada 89301

Battle Mountain Library
625 Broad Street
Battle Mountain, Nevada 89820

R214-97

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

AUTHORITY: NRS Chapter 645D
Approved July 16, 1997
Effective October 1, 1997

Chapter 645D of the NAC is hereby amended by adding the following new sections:

GENERAL PROVISIONS

Section 1. Definitions. As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 2 to 5, inclusive, have the meanings ascribed to them in those sections.

Section 2. “Administrator” means the real estate administrator.

Section 3. “Division” means the real estate division of the department of business and industry.

Section 4. “Certificate” means a certificate issued to an inspector to whom a certificate has been issued pursuant to this chapter.

Section 5. “Certified Inspector” means an inspector to whom a certificate has been issued pursuant to this chapter.

Section 6. Petition for regulations. Any person may by petition, request the administrator to adopt, file, amend or repeal a regulation. The petition must clearly identify in writing the change requested of the regulation and must contain all relevant data, views and arguments regarding the change.

Section 7. Severability of provisions. If any provision of this chapter, or the application thereof to any person, thing or circumstance is held invalid, such invalidity does not affect the provisions or application, and to this end the provisions of this chapter are declared to be severable.

CERTIFICATION

Section 8. Application for certification; required information; proof of liability insurance; period of validity.

1. The application form provided by the division requires the following information:
 - (a) The applicant's name, age and address of the applicant;
 - (b) The applicant's social security number;
 - (c) One recent photograph of the applicant;
 - (d) The place or places, including the street number, city and county, at which the applicant intends to maintain an office to conduct business as an inspector.
 - (e) The business, occupation or other employment of the applicant during the 5 years immediately preceding the date of the application, and the location thereof.
 - (f) The applicant's education and experience to qualify for a certificate.
 - (g) Whether the applicant has ever been convicted or, is under indictment for, or has entered a plea of guilty or nolo contendere to:
 - (a) A felony, and if so, the nature of the felony.
 - (b) Forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral turpitude.
 - (h) If the applicant is a member of a partnership or association or is an officer of a corporation, the name and address of the principal office of the partnership, association or corporation.
 - (i) Any other information relating to the qualifications or background of the applicant that the division requires.
2. The application must be accompanied by two completed fingerprint cards.
3. An application form is valid for only 1 year after the date of filing. The division may require that a supplemental form be completed by an applicant to ensure that all required information is current.

Section 9. Application for certificate: Personal completion required.

Each application for a certificate as an inspector must be completed personally by the applicant. Employees of the division are expressly prohibited from helping a person prepare his application.

Section 10. Application for certificate: Fees.

1. At the time an applicant submits an application for a certificate, the division shall collect:
 - (a) An application fee in the amount of \$100.00; and
 - (b) The fee for the issuance or renewal of a certificate in the amount of \$250.00.
2. The application fee is nonrefundable. If the division rejects an application, it shall refund the fee submitted for the issuance of the certificate.

Section 11. Requirement for proof of insurance.

1. Each applicant for an original certificate and each applicant for renewal of a certificate shall submit proof that he or his employer holds a policy of insurance covering:
 - (a) Liability for errors or omissions in an amount of not less than \$100,000.00; and

- (b) General liability in the amount of not less than \$100,000.00.
- 2. Each certified inspector or his employer shall maintain a policy of insurance that complies with the requirements of subsection 1.

Section 12. Grounds for denial of application; appeal of denial.

- 1. The division may deny any application for a certificate when one or more of the following conditions exist:
 - (a) The application is not in the proper form.
 - (b) The proper fees are not enclosed.
 - (c) The accompanying forms are incomplete or otherwise unsatisfactory.
 - (d) The applicant has been convicted by a jury of, or entered a plea of guilty or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral turpitude.
 - (e) The application contains a false statement.
 - (f) The applicant has not submitted proof that he or his employer holds a policy of insurance that complies with the requirements of section 11 of these regulations.
 - (g) Any other deficiencies appear in the application.
 - (h) An investigation fails to show affirmatively that the applicant possesses the necessary qualifications by way of education and experience as prescribed in these regulations.
 - (j) The applicant has had a license or certificate suspended or revoked in another state or in this state pursuant to this chapter within the 10 years immediately preceding the date of application.
 - (k) The check used in paying a fee for an examination or certificate is not honored by the financial institution upon which it was drawn.

- 2. An applicant whose application is denied by the division may appeal the denial to the administrator.
 - 1. If an application for a certificate is denied:
 - (a) The division shall notify the applicant within 15 days after its decision; and
 - (b) The applicant may not reapply until he petitions the division for leave to file another application. The division may grant or deny that leave in its sole discretion.
 - 2. If the applicant, within 30 days after receipt of the notice denying his application, files a written request containing allegations that, if true, qualify the applicant for a certificate, the administrator shall set the matter for a hearing before a hearing officer of the division to be conducted within 60 days after receipt of the applicant's request. The decision of the hearing officer is a final decision for the purposes of judicial review.

Section 13. Requirement of minimum age.

The administrator shall not:

- 1. Accept any application for a license of certificate as an inspector from a person under 17 years of age; or
- 2. Issue a certificate to a person under 18 years of age.

Section 14. Types and scope of permanent certificates.

1. An inspector may obtain from the division:
 - (a) A certificate as a registered intern inspector. Before obtaining any other type of certificate, the registered intern inspector must:
 - (1) Perform a minimum of 40 fee paid inspections under the direct on-site supervision of a certified residential or certified residential/commercial inspector;
 - (2) Maintain a log of the next 160 fee paid inspections, which must comply with the Standards of Practice and Code of Ethics adopted herein;
 - (3) Perform inspections limited to residential structures not to exceed four units;
 - (4) Maintain errors and omissions and liability insurance in his name and/or his company name;
 - (5) State prominently in all advertising: "Registered intern inspector."
 - (b) A certificate as a residential inspector, which authorizes him to perform an inspection of a structure consisting of no more than four residential units; or
 - (c) A certificate as a residential/commercial inspector, which authorizes him to perform any inspection.
2. A person who holds a certificate as a residential inspector may, under the direct on-site supervision of a person who holds a certificate as a residential/commercial inspector, assist in the preparation and communication of an inspection that is outside the scope of his certificate.

Section 15. Educational requirements; effective date; requirement of experience; burden of proof.

1. An applicant for a certificate as a registered intern inspector must furnish proof satisfactory to the division that he has successfully completed:
 - (a) Not less than 40 hours of academic instruction in subjects related to inspections taught in courses approved by the division; and
 - (b) An examination approved by the division.
2. An applicant for a certificate as a residential inspector must furnish proof satisfactory to the division that he has successfully completed:
 - (a) Not less than 40 hours of academic instruction in subjects related to inspections taught in courses approved by the division;
 - (b) An examination approved by the division; and
 - (c) At least 200 fee paid inspections according to the Standards of Practice and Code of Ethics adopted herein.
3. An applicant for a certificate as a residential/commercial inspector must furnish proof satisfactory to the division that he has successfully completed:
 - (a) Not less than 60 hours of academic instruction in subjects related to inspections taught in courses approved by the division;
 - (b) An examination approved by the division; and
 - (c) At least 400 fee paid inspections according to the Standards of Practice and Code of Ethics adopted herein. Not less than 50 inspections must related to the inspection of commercial structures or structures consisting of more than four residential units.
4. Experience as an inspector must demonstrate the applicant's ability to employ correctly the generally accepted techniques that are necessary to produce a credible

inspection report according to the Standards of Practice and Code of Ethics adopted herein.

5. The burden of proof is on the applicant to establish to the satisfaction of the division that he has completed the number of hours of experience required by this section. To meet his burden of proof, an applicant must submit a log of work accomplished on the appropriate form supplied by the division.
6. As used in this section, an "hour of academic instruction" means at least 50 minutes of actual time spent receiving instruction.
7. The education and examination requirements referenced above will become effective for all certificate holders July 1, 1998.
8. Notwithstanding the education and examination provisions of paragraph 1, 2, and 3 of this section, the division will issue certificates, from the effective date of these regulations until July 1, 1998, based solely upon the experience required for each certificate, respectively.
9. Effective July 1, 1998, each inspector certified or registered prior to July 1, 1998 must meet both the education and examination requirements or surrender his certificate to the division. All inspectors certified on or after July 1, 1998 must meet all requirements specified by the provisions of paragraph 1, 2, and 3 of this section.

Section 16. Examination for certificate; scope; types; passing score.

1. The examination must test the applicant on his knowledge and understanding of:
 - (a) Subjects applicable to the type of certificate for which he is applying; and
 - (b) Laws, standards of practice, and code of ethics regarding the performance of inspections and preparation of inspection reports, including the provisions of AB 165 and these regulations adopted pursuant thereto.
2. Separate examinations will be give for certification as an intern, residential, or general inspector.
3. A scaled score of 75 must be achieved to pass each test.
4. Each of the examinations will consist of questions covering the subjects referenced in subsection 1.

Section 17. Authorization to take examination.

1. An applicant for a certificate as an inspector may not take the written examination for certification until the division authorizes him in writing to appear for the examination.
2. The applicant must take the examination prescribed by the division at the time and place set forth in the written authorization sent to him.

Section 18. Examinations: Length; disclosure

1. The examination for a certificate as an inspector will be at least 4 hours, but not more than 8 hours. The times may be different for the examination for each type of certificate. The division shall establish the time for each examination and notify the applicants before the closing day for applications. Test books and answer sheets will not be returned to the applicants.
2. Examinations shall not be made public except as otherwise provided by statute or regulation.

Section 19. Examinations: Collection of fees; postponement.

1. If an applicant postpones his examination and notifies the division at least 30 days before the date of the examination, the fee for the examination may be applied to a subsequent examination which the applicant wishes to take.
2. An examination may be postponed only once.

Section 20. Examinations: Application for re-examination; withdrawal; period for acceptance of results.

1. An applicant for a certificate as an inspector who fails an examination may apply for re-examination on a form furnished by the division.
2. If an applicant, after filing an application for examination, withdraws and requests the division to postpone action on the application for reasons acceptable to the division, the applicant may apply for the next examination.
3. The division will only accept results of an examination taken during the year immediately preceding the date of the application for a certificate.

Section 21. Examinations: Use of aids; obeying of instructions.

1. An application for a certificate as an inspector will be denied or the results of an examination will be invalidated, or both, if the applicant:
 - (a) Uses or possesses any unfair methods or notes during the examination;
 - (b) Gives or receives aid of any kind during the examination; or
 - (c) Fails to obey instructions during the examination.
2. Silent, cordless, electronic calculators may be used by the applicants during the examination.

Section 22. Issuance of certificate; duty of real estate division.

1. Upon satisfactorily passing the written examination and upon complying with all other provisions of law and conditions of this chapter, a license shall thereupon be granted by the division to the successful applicant either as a registered intern inspector, certified residential inspector, or certified residential/commercial inspector, and the applicant upon receiving the license may conduct the business of a registered intern inspector, certified residential inspector, or certified residential/commercial inspector in this state.
2. The division shall issue such certificates to all applicants who qualify and comply with all provisions of law and all requirements of this chapter.

Section 23. Authority of certificate limited to person or place of business.

No certificate issued under the provisions of this chapter shall give authority to do so or perform any act specified in this chapter to any person other than the person to whom the license is issued, or from any place of business other than that specified therein.

Section 24. Form and contents; term of certificate; limitation on association with or employment of intern.

1. The division shall issue a certificate to each eligible person in such form and size as is prescribed by the division. Each certificate must:

(a) Show the name, address, and type of certificate, and in the case of an intern, show the name of the certified residential or certified general inspector with whom he will be associated;

(b) Have imprinted thereon the seal of the division;

(c) Contain any additional matter prescribed by 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 an 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.

Section 25. Delivery; display.

Each registered intern, certified residential or certified residential/commercial inspector shall display his certificate conspicuously in his place of business.

Section 26. Location of office.

1. The place of business of a registered intern, certified residential or certified residential/commercial inspector must be designated in the application for registration or certification.

2. If the inspector chooses to establish an office in a private home or in conjunction with another business, his business location must comply with local zoning requirement.

Section 27. Certified intern inspectors: supervision; authorization to work.

1. A registered intern inspector must:

(a) Meet the education and examination requirements specified by Section 15 of these regulations;

(b) Be supervised on-site by a certified residential or certified residential/commercial inspector through the completion of his first 40 fee paid inspections;

(c) Maintain a log of the next 160 fee paid inspections, which must comply with the Standards of Practice and Code of Ethics adopted herein.

2. A registered intern shall not perform his first 40 fee paid inspections without the written authorization, on a form provided by the division, of the certified residential or certified residential/commercial inspector supervising his inspection.

Section 28. Reporting on experience of registered interns.

1. The division shall require a verified statement from a certified residential or certified residential/commercial inspector indicating the extent of experience of any intern in order to determine the extent of experience the intern has gained while supervised by the certified residential or certified residential/commercial inspector.

2. The information required by subsection 1 must be reported on a form provided by the division. The completed form must include:

(a) The number and location of the fee paid inspections while being supervised by the certified residential or certified residential/commercial inspector.

(b) Any other information concerning the activities of the intern which should be considered as contributing towards his experience while under the supervision of the certified residential or certified residential/commercial inspector.

Section 31. Change of employer, name or status.

1. A holder of a certificate may request a change of employer, name or status by completing and submitting the appropriate form supplied by the division and paying the required fees.
2. If a holder of a certificate requests such a change and pays the required fee, the receipt issued by the division constitutes a temporary working permit pending receipt of the requested certificate.

Section 32. Inactive status: Placement; renewal of certificate required.

1. A holder of a certificate may be placed on inactive status by applying to the division on the appropriate form. The holder of a certificate is not entitled to a refund of any part of the fees paid for the unexpired term of his certificate.
2. A holder of a certificate who is on inactive status must apply for the renewal of his certificate on or before each anniversary of his certificate.

Section 33. Inactive status: Requirements for reinstatement.

1. A holder of a certificate who is in good standing with the division and who is on inactive status may apply to the division to be reinstated to active status. The applicant must:
 - (a) Be on a form supplied by the division;
 - (b) Be accompanied by the required fees;
 - (c) Be accompanied by a current, completed fingerprint card in the holder of a certificate has been on inactive status for at least 1 year; and
 - (d) Contain evidence that the requirements for continuing education have been fulfilled.
2. A holder of a certificate who is placed on inactive status for his failure to comply with these regulations remains inactive until an application for reinstatement has been approved by the division.

Section 34. Termination of certificate.

If the certificate of an inspector is canceled, suspended or revoked, he shall deliver his certificate to the division with the certificates of his interns. The interns may, upon proper application and payment of the required fees, transfer to the association of another certified residential or certified general inspector. No refund will be given when a certificate is canceled, suspended, or revoked.

Section 35. Loss of certificate.

If a certificate must be surrendered and it is not, the holder of the certificate shall file an affidavit with the division showing that the certificate has been lost, destroyed or stolen. The affidavit must contain the holder's promise to surrender the certificate if it is recovered.

Section 36. Cancellation of certificate for failure to report change of address or termination of association.

If the division determines that an inspector has discontinued business at the address at which he holds a certificate or that an intern is no longer associated with a certified residential or certified general inspector, and the facts have not been reported to the division, one or both certificates may be canceled by the division.

Section 37. Disciplinary action for dishonor of check.

A certificate may be canceled, revoked or suspended, or the holder of the certificate fined, if any check given to the division is no honored by the financial institution upon which it is drawn.

EDUCATION TO OBTAIN CERTIFICATE

Section 38. "School" defined.

For the purposes of these regulations, "school" includes:

1. The University of Nevada, Nevada Community College System, or any other university or college with the same or an equivalent accreditation.
2. Any professional school or college licensed by the Department of Education in this state or in another state.
3. Any professional school or college located in this state or in another state which has standards for licensure or certification approved by, or qualifies as meeting education requirements, or is licensed or accredited by a department of education or an equivalent agency of another state and is acceptable to the Division.

Section 39. Unacceptable courses.

1. The division will not accept an applicant's completion of a course of a kind which is designed to prepare students for examination, commonly known as a "cram course," to fulfill the educational requirements for an original certificate or registration.
2. The following kinds of courses will not be accepted to fulfill units of education which are required for certification or registration:
 - (a) Courses designed to develop or improve clerical, office or business skills that are not related to the inspection process, such as typing, shorthand, the operation of business machines, the use of computers, improvement of memory, writing letter or business courses in advertising, marketing or psychology.

CONTINUING EDUCATION

Section 40. Requirements for renewal or reinstatement of certificate.

1. To renew an active certificate, 20 hours of approved education in the two years prior to date of renewal is required.
2. To reinstate a certificate expired more than 60 days but less than one year, 30 hours of approved education is required.

CODE OF ETHICS & STANDARDS OF PRACTICE

PROFESSIONAL CODE OF ETHICS AND PROFESSIONAL CONDUCT

Section 41. Each inspector shall conduct himself at all times in a manner beneficial to the industry, his client and the public, consistent with the Uniform Standards of Practice.

Each inspector shall perform his duties with the highest standard of integrity, professionalism, and fidelity to the public and the client with fairness and impartiality to all. Each inspector shall accept these STANDARDS as his own, pledge himself to observe the spirit of said STANDARDS, to avoid association with any person or enterprise of questionable character or apparent conflict of interest, and conduct his business in accordance with the following CODE of ETHICS:

1. In accepting employment as an inspector, each inspector shall protect and promote, the interests of his client to the best of his ability and knowledge, recognizing that his client has placed his trust and confidence in the inspection.
2. Each inspector shall endeavor always, in the best interest of his client and his profession, to maintain and increase his level of knowledge regarding a new developments in the field of inspections.
3. Each inspector shall conduct his business in a manner which 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 opinion, regarding any inspection performed.
4. The inspector shall not disclose any information concerning the results of the inspection without the approval of the client or his representative for whom the inspection was performed.
5. The inspector shall 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. The inspector shall not accept nor offer commissions or allowances, directly or indirectly, from other parties dealing with the client in connection with work for which the inspector is responsible.
7. The inspector shall promptly disclose in writing to the client any interest in any other business which may affect the client, the quality, or the results of the inspection. The inspector shall not use the inspection process to obtain work for compensation at the inspection site or in another field relative to the inspection.
8. Each inspector shall make every effort to uphold, maintain and improve the professionalism practice, integrity and reputation of the inspection industry. He shall report all violations of this CODE OF ETHICS by other member and any other relevant information, to the Division for possible disciplinary actions.

9. An estimate of market value of the inspected property shall not be expressed by the inspector within the context of the inspection.
10. The performance of the inspection under the STANDARDS is neither an express nor an implied warranty or guarantee to the operation of any items after the date and time of the inspection.
11. Detached buildings and other structures located on the property will be inspected under these STANDARDS only when that building is specifically requested to be inspected.
12. Each certified INSPECTOR shall perform inspections in accordance with these STANDARDS, the CODE of ETHICS and any applicable law(s). These STANDARDS are not intended to limit the inspector from inspecting additional items and/or systems. Recommendations for repairs or replacement may be included within the report.

LIMITATIONS AND EXCLUSIONS

1. Inspections performed under these STANDARDS exclude any item(s) which are concealed or not readily accessible. The INSPECTOR may remove access panels and covers, but is not required to do so. The inspector shall not be required to move furniture, personal or stored items, lift floor coverings, move wall or ceiling coverings or panels, nor perform any test(s) or procedure(s) which could damage or harm the item(s) being inspected or hazardous to the inspector or others.
2. Excluded are the conditions and operations of on-site water supplies or domestic wells; including water quality and purification, the condition, operation or sanitation of on-site sewage disposal systems such as cesspool, septic tanks, drain fields and related underground piping, conduit and equipment.
3. Excluded is the evaluation of the capacity, adequacy or efficiency of heating systems, cooling systems, or water heating equipment. Also, excluded is the testing, operation or inspection of solid fuel stoves, space heaters and solar heating or cooling devices. Heating, cooling systems or other devices which have been shut-down or taken out of service will not be activated by the inspector. Any system(s) or equipment, including but not limited to central air conditioning, which in the opinion of the inspector may be damaged due to ambient temperature or other conditions if operated or tested shall not be inspected or attempt to operate or repair any system or component which does not respond to normal laymen user controls or which is shut down or otherwise inoperative.
4. The INSPECTOR is not required to walk on the roof when it could damage the roof or roofing materials or be unsafe for the INSPECTOR, nor to remove snow, leaves, debris or other materials that would prohibit observations of any of the roof surface(s) and component(s).
5. The determination of the presence of damage caused by termites and/or any other wood damaging insects and/or organism is excluded.
6. These STANDARDS do not include, and the INSPECTOR is not responsible for, the determination of conditions past or present which may cause bacteria, odors, molds and fungi, nor the presence of dirt, dust and air-borne particles such as asbestos, or gases, including but not limited to radon and other noxious conditions of air quality.

7. The INSPECTOR is not required to enter crawl areas where adverse or dangerous conditions exist or are suspected.
8. The use of special instruments or testing devices, such as but not limited to, amp meters, pressure gauges, moisture meters, gas detectors or similar equipment is not required.
9. The INSPECTOR is not required to determine any information from a seller's disclosure, a governmental agency or any other source concerning but not limited to previous geological, environmental or hazardous waste conditions of the property or violations of Codes, ordinances or other such conditions.
10. Excluded are the following items, equipment, and/or systems: pools, saunas, hot tub, spa water or air jets, alarms, intercoms, speaker systems, radio or electronic controller and security devices; fixed or non-fixed appliances, such as but no limited to, washers, dryers, stoves, microwaves, ovens, dishwashers, refrigerators; thermostat and/or timer controls, water softeners, filters and conditioners; shower drain pans, underground piping, conduit, wiring, sprinkler systems or central vacuum systems.
11. The inspection is performed and the report is furnished on an opinion basis as determined by the INSPECTOR based upon a limited visual on-site observation at the time and date of the inspection.
12. The inspector is not required to give cost estimates for repair or life expectancy of components or systems.
13. The inspector is not required to report on the causes of the need for repair or provide detailed numerical analysis of structural components, heating and cooling capacity or other system analysis.
14. The inspector is not required to report on workmanship, items not installed permanently, subjective items, aesthetics, or design.

15. PLUMBING SYSTEMS

P-A. Components to be Inspected:

- PA-1. Cold water systems.
- PA-2. Hot water systems.
- PA-3. Waste/Drain systems.
- PA-4. Vent Systems
- PA-5. Visible gas lines and components.

P-B. Inspection Procedures:

- PB-1. Identify and describe the type of water lines and determine if the system to be inspected is activated.
- PB-2. Operate all fixtures through a normal cycle and do a visual check of all exposed components.
- PB-3. Check all visual waste/drain lines and vent lines for functional flow.
- PB-4. Identify and describe the type of domestic water heater and energy source. Evaluate the water heater and the presence of safety devices.
- PB-5. Test water supply for functional flow.

P-C Components Inspector Is Not Required to Inspect or Evaluate:

- PC-1. Any main, branch or fixture valve, except faucets.
- PC-2. Any system which is shutdown or secured.
- PC-3. Any plumbing component that is not readily accessible.
- PC-4. Any exterior plumbing component such as water mains, private sewer or disposal systems or components, swimming pools, hot tubs, similar or related items.
- PC-5. Fire sprinkler systems.
- PC-6. Evaluate water conditioning equipment, including softener, filter systems, pressure tanks, holding tanks, cooling towers, pumps, gray water systems or similar systems or instant hot water systems.
- PC-8. Test shower pans for leakage.
- PC-9. Gas or oil supply systems, which are not visible or accessible.
- PC-10. Temperature and pressure relief valves.
- PC-11. Health or safety of cesspool and/or septic tanks.
- PC-12. Any non single-family domestic system.
- PC-13. Private water supply systems.
- PC-14. Sewage ejection pumps or systems.
- PC-15. Sump pumps, tub pumps or similar systems.
- PC-16. Solar systems or their components.
- PC-17. Determine whether systems are public or private.

16. ELECTRICAL SYSTEMS

E-A. Components for Inspections:

- EA-1. Switches, Receptacles and Fixtures.
- EA-2. Main Panel Box, Sub Panel Boxes Including Feeders.
- EA-3. All Exposed Wiring and Junction Boxes.

E-B. Inspection Procedures:

- EB-1. Identify and describe amperage and type of overcurrent protection devices (fuses or breakers).
- EB-2. Establish the existence and condition of connected service grounding cables), where visible.
- EB-3. Verify compatibility and condition of the main and branch circuit(s) overcurrent protection devices to the size of the conductors served by them where visible without removal of safety covers.
- EB-4. Determine the function of a representative number of readily accessible switches, receptacles, and light fixtures in each room or area of the building.
- EB-5. Where applicable test and/or verify grounding and polarity of all readily accessible receptacles, including ground fault circuit interrupter devices.
- EB-6. Evaluate the system and visible wiring and other components for function.

E-C. Components Inspector Is Not Required to Inspect or Evaluate:

- EC-1. Main or sub-panel by inserting any tool, probe, testing device or by removing safety cover.
- EC-2. Electrical systems or branch circuits which are not energized.

- EC-3. Overload protection devices except GFCI.
- EC-4. Auxiliary systems including, but are not limited to; burglar alarms and home protection systems, low voltage systems, antennas, electrical de-icing tapes, sprinkler system wiring, swimming pool and hot tub wiring, satellite dish or any system which is timer controlled.
- EC-5. Move any object, furniture, or appliances to gain access to any electrical component.
- EC-6. Remove switch and outlet cover plates.
- EC-7. Electrical equipment that is not readily accessible, nor dismantle any electrical device, cover or control.
- EC-8. High voltage auxiliary systems, generators or components.

17. HEATING SYSTEM

HA. Components to be inspected:

- HA-1. Heating equipment.
- HA-2. Heating distribution system.
- HA-3. Operating controls.
- HA-4. Auxiliary heating units.

HB. Inspection Procedures:

- HB-1. Identify and describe the type of system, distribution, energy source, number of units or systems.
- HB-2. Operate system using the normal control devices to evaluate function.
- HB-3. Open access panels or covers provided by a manufacturer or installer, that are readily accessible, so that the enclosed components can be evaluated.
- HB-4. Evaluate the function of the accessible controls and components.

H-C. Components Inspector Is Not Required to Inspect or Evaluate:

- HC-1. Heating system that have been shut down or do not respond to normal controls.
- HC-2. Inspect equipment or remove covers and control panels that are not readily accessible without the use of tools.
- HC-3. Dismantle any equipment, controls or gauges.
- HC-4. Inspect heating system accessories such as humidifiers, air purifiers, motorized dampers, heat reclaimers and similar devices.
- HC-5. Inspect or evaluate solar heating or collection systems.
- HC-6. Activate or operate heating or heat pump equipment and systems, when in the judgment of the inspector it may not be conducive to safe operation, or may cause damage to the equipment.
- HC-7. Evaluate the type of materials contained in insulation and/or wrapping pipes, ducts, jackets and boilers.
- HC-8. Operate digital type thermostat controls.
- HC-9. Evaluate the efficiency or adequacy of the equipment or the system.
- HC-10. Any non single -family domestic systems.
- HC-11. Interior of flue pipes.

18. AIR CONDITIONING

A-A. Components to be inspected:

- A-1. Cooling equipment.
- A-2. Cooling distribution systems.
- A-3. Operating controls.

A-B. Inspection Procedures:

- AB-1. Identify and describe the type of system, distribution, energy source, number of units or systems.
- AB-2. Operate system using the normal control devices to evaluate function.
- AB-3. Open access panels or covers provided by the manufacturer or installer, that are readily accessible, so that the enclosed components can be evaluated.
- AB-4. Evaluate the function of the accessible controls and components.

A-C. Components Inspector Is Not Required to Inspect or Evaluate:

- AC-1. Cooling systems that have been shut down or do not respond to normal controls.
- AC-2. Gas-operated refrigeration systems, evaporative coolers, wall or window mounted air conditioning units.
- AC-3. System coolant pressure or determining the presence of leakage.
- AC-4. Determining the efficiency of adequacy of the equipment or the system.
- AC-5. Equipment when the exterior temperature is below 70 degrees (F) or when in the judgment of the inspector there are conditions or temperatures not conducive to safe operation or which may cause damage to the equipment.
- AC-6. Panels which are not readily accessible.
- AC-7. Dismantle any equipment, controls or gauges.
- AC-8. Digital type thermostats or controls.
- AC-9. Commercial type units including, but no limited to; chilled water systems or any shared units.

19. INTERIOR COMPONENTS

I-A. Components to be Inspected:

- IA-1. Walls
- IA-2. Ceilings
- IA-3. Floors
- IA-4. Doors
- IA-5. Stairways and Balconies

I-B. Inspection Procedures:

- IB-1. Inspect, describe and report the condition of the walls, floors and ceilings, including evidence of moisture penetration.
- IB-2. Inspect and describe the condition of the steps, stairways, balconies and railings.
- IB-3. Operate a representative number of readily accessible doors and windows for proper function.

I-C. Components Inspector Is Not Required to Inspect or Evaluate:

- IC-1. Condition of ceilings, walls, floors and floor coverings and any of their components for cosmetic purposes, including workmanship.
- IC-2. Appliances, except as described within the scope or permitted procedures herein.

20. EXTERIOR COMPONENTS

E-X. Components to be Inspected:

- EX-1. Exterior Wall Components.
- EX-2. Exposed Molding and Trim.
- EX-3. Windows and Exterior Doors.
- EX-4. Fireplaces, Flues and Chimneys.

E-B. Inspection Procedures:

- EXB-1 Identify the type of structure and/or covering (block, siding, shingle, stucco, wood, asbestos, hardboard, masonry, etc.) of the exterior component inspected.
- EXB-2 Evaluate the function of the listed wall covering and trim components.
- EXB-3 Evaluate the condition of a representative number all visible windows and doors including associated trim and hardware when applicable.
- EXB-4 Inspect and describe condition of accessible attached porches, decks, steps, balconies and carports.

EX-C. Components Inspector Is Not Required to Inspect or Evaluate:

- EXC-1 Detached buildings, structures or other types of enclosures, canopies, fences or covers not specifically included within the scope to the inspection.
- EXC-2 Decks, patios and similar structures not attached to the house or another inspected building.
- EXC-3 The function or operation of shutters, awnings or other such accessories.
- EXC-4 The operation of security locks, devices or systems.
- EXC-5 The presence, extent and type of insulation and vapor barriers in the exterior walls.
- EXC-6 Interior of the chimney flues.
- EXC-7 Areas which may contain materials hazardous to health and safety of the inspector.
- EXC-8 Fireplaces/stoves to determine the adequacy of drafts, perform a chimney smoke test, or inspect any solid fuel device while in use.
- EXC-9 Inserts or other modifications in any fireplace, stove or chimney.
- EXC-10 Determining clearances to combustibles in concealed areas.
- EXC-11 Components not readily accessible because of stored items or debris.

21. ROOFING COMPONENTS

R-A Components to be Inspected:

- RA-1. Roof Covering.
- RA-2. Flashing.
- RA-4. Insulation.

- RA-4. Ventilation.
- RA-5. Soffits and Fascia.
- RA-6. Skylights, other Roof Accessories and Penetrations.

R-B. Inspection Procedures:

- RB-1. Identify and describe materials of the visible roof structure, roof flashing, skylights and penetrations and presence of ventilation devices and roof drainage.
- RB-2. Evaluate the condition of the visible attic areas and method used.
- RB-3. Determine the type, condition and approximate thickness or R-value of attic insulation.
- RB-4. Describe method of observation for roofing inspection.

R-C. Components Inspector Is Not Required to Inspect or Evaluate:

- RC-1. Enter attic spaces that are not readily accessible, where headroom is less than (2 feet) or where access could damage ceilings or insulation.
- RC-2. Walk on or access a roof where it could damage the roof or roofing materials or be unsafe for the inspector.
- RC-3. Internal gutter and downspout systems and related below ground drainage piping.
- RC-4. Antennas, lightning arrestors and similar attachments.
- RC-5. Temperature, pressure or wind activated equipment when it is not in the operating mode. Such as thermostatic attic flows, roof vents and other similar devices.
- RC-6. Access panels where it would break or damage the surface finish or weather seal.
- RC-7. When in the opinion of the inspector dangerous or otherwise adverse conditions including, but not limited to, insulation R-values which could cause damage.

22. STRUCTURAL SYSTEM COMPONENTS

SS-A Components to be Inspected

- SSA-1. Foundation
- SSA-2. Floors
- SSA-3. Walls
- SSA-4. Columns
- SSA-5. Ceilings
- SSA-6. Roofs

SS-B Inspection Procedures

- SSB-1. Identify and describe the type of foundation, floor-structure, wall structure, columns, ceiling structure, roof structure, and other attached structural components.
- SSB-2. Probe structural components where deterioration is suspected. However, probing is NOT required when probing would damage any finished surface.
- SSB-3. Enter under the floor crawl spaces and attic spaces except when access is obstructed or not readily accessible, when entry could damage the property, or when dangerous or adverse conditions are obvious or expected.

- SSB-4. Report signs of water penetration or signs of abnormal or harmful condensation on building components.
- SSB-5. Report and describe any visible structural damage to framing members and foundation system.

SS-C Components or items the Inspector is not required to inspect or evaluate.

- SSC-1. Areas not readily accessible to the inspector.
- SSC-2. Evaluate structural, code, or engineered components of structure.
- SSC-3. Evaluate structural components for wind, earthquake, flood or other natural disaster.
- SSC-4. Evaluation of soils conditions, moisture conditions other than buildings water or waste leaks below floor. Other sources will not be evaluated.

23. SITE

S-A. Components to be inspected:

- S-1. Land Grade and Water Drainage.
- S-2. Retaining walls affecting the structure.
- S-3. Driveways and Walkways.
- S-4. Porches and Patios.

S-B. Inspection Procedures:

- SB-1. Identify materials and evaluate the conditions of the driveways, walkways, grade steps, patios and other included items contiguous with the inspected structure.
- SB-2. Observe the drainage and grading for conditions which adversely affect the structure.
- SB-3. Observe visual above grade vegetation which affects the exterior of the structure.

S-C. Components Inspector Is Not Required to Inspect or Evaluate:

- SC-1. Fences, privacy walls, garden walls or planters.
- SC-2. Conditions of trees, shrubs and other vegetation.
- SC-3. Items concerning soils, geology, site engineering or determine property boundaries.

24. Glossary of Terms

Access panel: A panel used for the purpose of gaining access to a piece of equipment for maintenance, repair or cleaning and installed with removable fasteners or latch devices in order to be lifted off, swung open or otherwise be removed by one person and its edges and fasteners are not painted in place. A panel used to gain access to an area such as a crawl space or attic.

Activate: To turn on equipment by normal control means, such as thermostats or control switches.

Ambient temperature: The temperature of the air surrounding the equipment.

Appliance: A device, either freestanding or built-in, used to provide a specific duty such as a dishwasher, oven, range, garbage disposal, etc.

Automatic safety controls: A device used to protect people and equipment from malfunction caused by excessive pressure, temperature, or other hazardous operating conditions.

Central air conditioning: An air conditioning or cooling system which uses ducts to distribute cooled air to more than one room at a time, and which is not window mounted or plugged into an outlet.

Central heating: The major heating source in a building, such as a furnace or boiler, or in the building, the individually controlled heaters in each room.

Component: An individual part of a system such as the gas valve of a furnace or a single roof rafter.

Cosmetic: A condition that affects the appearance of an item rather than the structural integrity or intended function thereof.

Crawl space: The area within the confines of the foundation walls and between the ground and underside of the structural members. A crawl space with a clearance of less than 24 inches between the ground and the structural members is considered to be inaccessible.

Cross connection: Any physical connection or arrangement between a potable water supply and any other water of unknown or questionable source of possible contamination.

Dangerous or adverse condition: Any condition or situation which has the potential of causing injury or health concerns to the inspector. These conditions may require special protective clothing and/or safety equipment and in certain cases, such as crawl spaces, cannot be entered until the condition is corrected.

Detached buildings: Any structure apart from the main structure with a separate roof and foundation system.

Direct wired component: A device which is directly connected to the electrical system and cannot be readily disconnected.

Dismantle: To take apart or remove any component, device or piece of equipment that is bolted, strewed, or fastened by any other means, that would not be dismantled by a homeowner in the course of normal household maintenance.

Flue pipe: The pipe connecting the firing chamber exhaust of a hydrocarbon fueled device such as a heating unit or water heater to a chimney.

Functional flow: Sufficient flow to keep the highest fixture operating when two fixtures are operated simultaneously.

Heat source: Any device used for the purpose of emitting heat to an area.

Inspect: Perform a non-evasive, non-destructive evaluation of the visible elements in readily accessible areas, without the removal of personal or fixed items.

Installed: An item that is physically attached to the building with nails, screws, etc., and could not be removed by unplugging or disconnecting by hand.

Normal (operating) controls: Controls such as a thermostat of the heating or cooling system used to operate equipment by a layman homeowner or tenant.

Operate: To activate a device by using normal operating controls.

Readily accessible: Having the ability to inspect an item or piece of equipment without having to move or relocate furniture or stored items or damage paint finishes. Access panels are considered readily accessible if large enough for an average size person (minimum 18" x 24"). Access panels are not readily accessible if they cannot be reached with the aid of a four foot ladder or require tools to open.

Representative number: A defined number of items to be inspected when there are a number of like items in a building, such as electrical switches, receptacles and windows--this number will be one per room or one per side of the exterior.

Shut down: When an item cannot be operated by normal controls it is considered to be shut down. The inspector is not required to light pilot lights, turn on gas supply, switch breakers, replace fuses or light bulbs, plug in equipment, open closed water valves, etc.; all items intended to be a part of the inspection shall be in operation prior to the inspection.

Structure: Any construction designed and used to provide support against natural forces in addition to live and dead loads.

Water supply quality: Water quality is based on the bacterial, chemical, mineral, metal and solids content of the water.

Section 43. Duties of certified residential and certified general inspectors regarding interns.

A certified residential and a certified general inspector shall:

1. Teach interns associated with or employed by him the fundamentals of inspections and the ethics and standards of the profession; and
2. Supervise the inspection activities of those interns.

Section 44. Considerations in determining unprofessional conduct or professional incompetence.

In determining whether a certified inspector is guilty of unprofessional conduct or professional incompetence, the division shall consider, among other things, whether the inspector:

1. Has failed to perform an inspection in compliance with the standards of practice and code of ethics adopted herein;
2. Has done his utmost to protect the public against fraud, misrepresentation or unethical practices relative to his profession;
3. Has ascertained all pertinent facts concerning any property for which he prepares an inspection report within the standards of practice herein adopted;
4. Has attempted to make an inspection and prepare an inspection report of any property outside of his field of experience or competence without the assistance of a qualified authority;
5. Has adequately documented any required disclosures of his interest in any property with which he is dealing;
6. Has kept informed of current statutes and regulations governing inspections of structures and related fields in which he provides inspection services;
7. Has acquired knowledge of all material facts that are reasonable ascertainable and are of customary or express concern and has conveyed that knowledge to his client.

Section 45. Advertisement.

1. In any advertisement through which a holder of a certificate offers to perform services for which a certificate is required pursuant to these regulations, he shall disclose the name under which he does business and the type of certificate he holds.

2. An intern may not advertise solely under his own name when acting in the capacity of an intern. All such advertising must be under the direct supervision of an in the name of the certified residential or certified general inspector with whom the intern is associated or employed.

Section 46. Maintenance and inspection of records.

1. An inspector shall keep 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. If a citizen's complaint or a formal complaint is filed, the division may require an inspector to maintain all records relating to the complaint until the issue is resolved.

3. All inspections conducted by an inspector must be numbered consecutively, indexed or filed in an orderly fashion (i.e., numerically, chronologically by date, alphabetically, or any other method acceptable to the division) to permit an audit by a representative of the division.

4. The inspection report, 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 inspector regularly conducts his business.

5. The 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 which informs the division of the new location.

Section 47. Inspection by division.

An inspector shall, upon demand, provide the division with the documents and the permission necessary to complete fully an office examination and audit of his records.

Section 49. Complaints.

1. The division shall prepare and require a standard form or affidavit for use in making a citizen's complaint. This form may require any information the division considers pertinent.

2. If a citizen's complaint is made, the division shall investigate any action which appears to violate a provision of chapter _____ or the regulations adopted pursuant thereto and need not be limited to the matter in the complaint.

3. An inspector shall disclose all facts and documents pertinent to an investigation to members of the division's staff conducting the investigation.

4. If the division determines that sufficient evidence exists to establish a violation, it will prepare and file a formal complaint. If insufficient evidence exists, the division may dismiss the matter without prejudice at any time.

Section 50. Correction of deficiencies: Notice; time; failure to comply.

1. The division may grant any inspector up to 10 calendar days to correct any deficiency involving advertising, the location of his business or office operation. A notice of the deficiency and a request to correct a deficiency must be mailed to the holder of a certificate. Failure to comply with the request may be grounds for the suspension or

revocation of a certificate. The notice must be sent on a form provided by the division and state the deficiencies or violations, the recommended action, and the date by which the deficiencies must be corrected.

2. The division may grant an extension for a definite time to correct the deficiency whenever the correction may, practicably, require additional time.

HEARINGS AND OTHER PROCEDURES

Section 51. Procedure for hearing.

1. Upon the filing of a formal complaint by the division, the administrator shall set the matter for a hearing within 90 days before a hearing officer appointed by the administrator from the staff of the department of business and industry. The hearing officer must be a person who has not investigated or prosecuted the complaint.

2. The time of the hearing may be continued by the division or upon motion of the respondent with the approval of the administrator or his designated hearing officer.

3. The division will give the respondent at least 20 days' prior notice in writing of the date, time and place of the hearing, which notice will contain a copy of the complaint, including an exact statement of the charges together with copies of all reports, affidavits and depositions in possession of the division which may be used in evidence against the respondent.

4. Notice of the hearing may be served by personal delivery to the respondent or by certified mail to his last known business or home address. If the respondent is an intern, the division will also notify by mail the certified residential or certified general inspector employing him.

5. The respondent shall file an answer within 30 days after service of the notice. The answer must contain an admission or denial of each of the averments contained in the complaint and may defenses upon which the respondent will rely.

6. The answer may be served by personal delivery to the division at its office in Las Vegas or Carson City or by mail to the principal office of the division.

7. Before the hearing, the division may request, and the respondent may produce upon request, documents and other materials which are under his control. The division may take depositions and obtain material by subpoena.

8. All witnesses at the hearing will be sworn by the administrator or his designated hearing officer and a tape recording of the proceedings will be made and included as a part of the record in the case.

Section 52. Formal hearings: Notice of decision.

1. The administrator or the hearing officer will render a decision within 30 days after the date of the hearing and immediately give notice in writing of the decision to the respondent.

2. If the decision is adverse to the respondent, the administrator or hearing officer will also state in the notice of decision the date upon which the decision becomes effective, which will not be less than 30 days after the date of notice.

Section 53. Informal meetings.

The division will schedule an informal meeting rather than a formal hearing for matters which may be settled or otherwise do not require a formal hearing, in accordance with the following procedures:

1. The division will initiate the procedure for an informal meeting by giving notice which must include a concise statement of all the facts necessary to understand the possible violation and a brief statement of the relief desired by the division, if appropriate;
2. Informal meetings will be held by the administrator or his designee at a time and place prescribed by the administrator;
3. The administrator, his designee or any other party may require a tape recording to be made of the informal meeting;
4. The initiation of an informal meeting by the division is without prejudice to its right to initiate a complaint and formal proceedings covering the same subject matter pursuant to these regulations; and
5. All matters discussed and all material presented in an informal meeting may be used in a subsequent formal hearing, and the division will inform all parties of that fact at the beginning of the informal meeting.

Section 54. Petition for reconsideration of division action.

1. Any person aggrieved by an action of the division except the revocation or suspension of a license pursuant to these regulations, 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 no later than 20 days after receipt of the petition. The division will give at least 15 days' notice of the hearing.
4. No later than 15 days after receiving the petition or hearing of oral argument the division will render a decision in writing to the petitioner.