

**ADOPTED REGULATION OF THE
REAL ESTATE COMMISSION**

LCB File No. R136-99

Effective April 3, 2000

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

AUTHORITY: §§1-15, 17-23 and 26, NRS 116.31139; §16, NRS 116.31139, 645.190 and 645.6052; §§24 and 25, NRS 645.190 and 645.6052.

Section 1. Chapter 116 of NAC is hereby amended by adding thereto the provisions set forth as sections 1 to 19, inclusive, of this regulation.

Sec. 2. *“Administrator” means the administrator of the division.*

Sec. 3. *“Advisory committee” means an advisory committee established pursuant to section 13 of this regulation.*

Sec. 4. *“Client” means the executive board of an association acting on behalf of a common-interest community that has entered into a management agreement with a community manager.*

Sec. 5. *“Community manager” means a person who holds a certificate or who holds a permit and who manages the association of a common-interest community.*

Sec. 6. *“Executive board” has the meaning ascribed to it in NRS 116.110345.*

Sec. 7. *“Management agreement” means an agreement for the management of a common-interest community entered into pursuant to section 11 of this regulation.*

Sec. 8. *“Permit” means a permit to engage in property management issued pursuant to chapters 645 of NRS and NAC.*

Sec. 9. 1. *An applicant who applies for the issuance or renewal of a certificate shall submit to the division the statement prescribed by the welfare division of the department of human resources pursuant to NRS 425.520. The statement must be completed and signed by the applicant.*

2. The applicant shall include the statement described in subsection 1 in:

(a) The application for a certificate or any other form that must be submitted for the issuance or renewal of a certificate; or

(b) A separate form prescribed by the division.

3. The division will not issue or renew a certificate pursuant to this chapter if the applicant:

(a) Fails to sign, complete or submit the statement described in subsection 1; or

(b) Indicates on the statement required pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the division shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 10. *A community manager shall:*

1. Comply with the lawful provisions of the governing documents of each client;

2. Not solicit or accept any form of compensation, gratuity or other remuneration which would improperly influence or would appear to a reasonable person to improperly influence the decision making of the community manager or which would result or would appear to a reasonable person to result in a conflict of interest, and disclose in writing to the executive board any compensation, gratuity or other remuneration that is solicited or accepted in violation of this subsection;

3. Maintain an inventory of all records of each client;

4. Keep informed of new developments in the management of a common-interest community, including, without limitation, new developments in legal and accounting principals of the management of a common-interest community;

5. Unless otherwise required or authorized by law or an authority with competent jurisdiction, not disclose confidential information relating to a client which includes, without limitation, the business affairs and records of the client;

6. Advise a client to obtain advice from an expert relating to matters that are beyond the expertise of the community manager;

7. Under the direction of the executive board of a client, uniformly enforce the provisions of the governing documents of the client;

8. At all times ensure that the records of financial transactions of a client are current and accurate and are properly identified;

9. Prepare or cause to be prepared financial statements in sufficient detail to allow the executive board and auditor of a client to determine the status of the accounts and financial operation of the client;

- 10. Make the financial records of a client available for inspection by the division in accordance with the applicable laws of this state;*
- 11. Cooperate with the division in resolving complaints filed with the division;*
- 12. Make the financial records of a client available during regular business hours for inspection and provide copies of such records to a member of the client association in accordance with applicable laws of this state;*
- 13. Deposit all money of a client that is in the possession or control of the community manager in a federally insured financial institution authorized to do business in this state;*
- 14. Not commingle money or other property of a client with the money or other property of another client or of the community manager and shall not use money or other property of a client for his own personal use;*
- 15. Recommend in writing to each client that the client register with the division, maintain its registration and file all papers with the division and the secretary of state, as required by law;*
- 16. Comply with the directions of the executive board of a client, unless such direction conflicts with these regulations or other applicable laws of this state;*
- 17. Recommend in writing to each client that the client be in compliance with all federal, state and local laws and the governing documents of the client;*
- 18. Not be a signor on a withdrawal from a reserve account of a client unless serving as a member of the executive board or as an officer of the client;*
- 19. Obtain, when practicable, at least three bids for any capital improvement project of the client; and*

20. Not establish an attorney-client relationship with an attorney or law firm which represents an association, which employs the community manager or with whom the association has a management agreement.

Sec. 11. 1. Before entering into a management agreement, a community manager shall disclose in writing to the prospective client his interest or prospective interest in the client.

Such disclosure must include, without limitation:

(a) Whether he expects to receive any direct or indirect compensation or profits from any person who will perform services related to the client and, if so, the identity of the person;

(b) His affiliation with or financial interest in any person who furnishes services related to the client;

(c) His interest in or financial arrangement with a person who provides maintenance or other services to the client; and

(d) His personal relationships with any member of the client association or any member of the executive board of the client.

2. A management agreement must:

(a) Be in writing;

(b) Be entered into by the executive board, the community manager or the employer of the community manager if the community manager is acting on behalf of a corporation, partnership, limited partnership or limited liability company;

(c) State the term of the management agreement;

(d) State the full dollar amount of the contract and the payment schedule;

(e) State the identity and the legal status of the contracting parties; and

(f) State any limitations on the liability of the community manager.

3. *A management agreement may include, without limitation:*

(a) *A schedule of the costs of any new association or of any startup costs;*

(b) *A job description and statement of authority of the community manager;*

(c) *Spending limits of the community manager;*

(d) *Provisions relating to the grounds and procedure for termination of the community manager;*

(e) *Insurance disclosures;*

(f) *Provisions for dispute resolution;*

(g) *Statements that all records and books of client are property of the client;*

(h) *The physical location of the records of the client;*

(i) *The frequency and extent of regular inspections of the association property as mutually agreed upon by the community manager and the client;*

(j) *A schedule of fees to be charged for special or nonroutine services;*

(k) *A schedule of reimbursable expenses;*

(l) *The extent, if any, of the authority of the community manager to sign checks on behalf of the client in an operating account; and*

(m) *A schedule of fees to be charged by the community manager for resale transfer fees or other fees charged for setting up the account of a new member.*

4. *After signing a management agreement, the community manager shall send a copy of the management agreement to each director of the executive board of the common-interest community that is the subject of the agreement.*

5. *Any changes to a management agreement must be in writing and must be signed or initialed by the parties to the agreement.*

6. Unless otherwise agreed to in writing by the parties to the management agreement, within 30 days after the end of a management agreement, the community manager shall transfer possession of all books and records of the client to the succeeding community manager or to the association if there is no succeeding community manager.

Sec. 12. *1. If a person who alleges that a community manager is guilty of misconduct sends the allegations of misconduct in writing to the community manager in an attempt to resolve the issue without filing a complaint with the division, the community manager shall, in good faith, acknowledge and respond in writing to the person making the allegations within 12 working days after he receives the allegations.*

2. A complaint about a community manager must:

(a) Be submitted to the division on a form provided by the division;

(b) Be signed by the person submitting the complaint; and

(c) Include, without limitation:

(1) The identity of the community manager who is alleged to have violated a provision of this chapter, chapter 645 of NAC or chapter 116 or 645 of NRS, and the nature of the alleged violation;

(2) All evidence supporting the allegations, including, without limitation, as appropriate, corroborating statements by other persons or specific information as to persons who may be contacted to provide such corroboration;

(3) The name, address and telephone number of the person submitting the complaint;

(4) Documents that evidence an attempt by the person submitting the complaint to resolve the issue with the executive board and community manager, including, without

limitation, any written response of the executive board or community manager to the allegations of the person submitting the complaint; and

(5) If filed by a tenant of a unit owner, ratification of the complaint by the unit owner without the use of a power of attorney by the tenant.

3. Upon receipt of a complaint that complies with subsection 2, the division shall forward the complaint to an investigator. The investigator:

(a) Shall send a copy of the complaint to the community manager and executive board of any association which relates to the subject of the complaint;

(b) Within 12 working days after the receipt of the allegations, shall attempt to obtain a response in writing from the person who is the subject of the complaint;

(c) May make such inquiries and investigation into matters relating to the allegations in the complaint, as the investigator deems appropriate; and

(d) Shall submit to the administrator a written report that summarizes the findings and conclusions of the investigator.

4. Upon review of the written report of the investigator, if the administrator determines that grounds for disciplinary action against the community manager exist, the administrator may take one of the following actions, as he deems appropriate:

(a) Issue a letter of censure to the community manager who is the subject of the complaint;

(b) Levy an administrative fine of:

(1) For the first offense, \$250; and

(2) For the second and each subsequent offense, \$500;

(c) Refer the matter to the commission;

(d) Refer the matter to an advisory committee; or

(e) Refer the matter to the attorney general of this state.

5. The administrator may initiate an investigation, audit or inspection of the records of any community manager or any person who performs the duties of a community manager in this state.

6. Any action taken by the administrator pursuant to subsection 4 may be appealed by the community manager upon written request to the commission within 30 days after the administrator takes such action.

7. As used in this section, "investigator" means a person whom the division deems to be impartial and qualified with respect to the matter in a complaint and who is designated by the division to investigate a complaint pursuant to this section.

Sec. 13. 1. The administrator may establish an advisory committee to assist the administrator in the review of a matter that is the subject of an investigation conducted pursuant to section 12 of this regulation if the community manager who is the subject of the investigation agrees to participate in an informal review of the matter with an advisory committee.

2. If the administrator determines that an advisory committee should be formed, the administrator shall form the advisory committee in the same manner as an advisory committee is formed pursuant to NAC 645.490. The administrator shall only select persons to serve on an advisory committee who are determined by the administrator to be impartial and qualified with respect to the matter which will be reviewed by the advisory committee. The commission will prescribe the education and experience qualifications of the members of an advisory committee and will review all applications and approve or disapprove the applicants.

3. A member of an advisory committee:

(a) Serves in the same capacity as; and

(b) Is entitled to per diem allowance and travel expenses to the same extent as,

a member of an advisory committee established pursuant to NAC 645.490.

Sec. 14. 1. *An advisory committee which is established pursuant to section 13 of this regulation shall:*

(a) Review the written report submitted by an investigator pursuant to section 12 of this regulation and any other information that is relevant to the matter to determine whether there is probable cause to show that the community manager who is the subject of the investigation has violated a provision of this chapter or chapter 116 of NRS;

(b) Hold an informal conference in accordance with section 15 of this regulation;

(c) Work with the community manager who is the subject of the investigation to attempt to arrive at a recommendation for resolution of the matter which is the subject of the investigation; and

(d) Submit a recommendation for resolution of the matter to the administrator.

2. *If the administrator and the community manager who is the subject of the investigation accept the advisory committee's recommendation for resolution of the matter, the administrator shall enter into a written agreement with the community manager who is the subject of the investigation which must contain the terms of the resolution recommended by the advisory committee.*

3. *If disciplinary action is taken pursuant to this section against a community manager who is the subject of an investigation, the administrator shall file with the commission a written summary of the facts and disciplinary actions taken against the community manager.*

4. If the administrator or the community manager who is the subject of the investigation do not accept the advisory committee's recommendation for resolution of the matter, the administrator shall:

(a) Dismiss the matter which is the subject of the investigation;

(b) Negotiate a resolution of the matter with the community manager who is the subject of the investigation, which may include, without limitation, assessing administrative sanctions pursuant to section 12 of this regulation; or

(c) Schedule a hearing which must be conducted pursuant to section 19 of this regulation.

Sec. 15. 1. *If an advisory committee is established pursuant to section 13 of this regulation, the administrator shall schedule an informal conference between the advisory committee and the community manager who is the subject of the investigation. The administrator shall provide written notice of the time and place of the conference to:*

(a) Each member of the advisory committee;

(b) The community manager who is the subject of the investigation; and

(c) Each witness who has been requested to appear at the informal conference.

2. The advisory committee may request the attendance at an informal conference of any person whom the advisory committee believes to have information that is relevant to the matter.

3. When conducting an informal conference, an advisory committee:

(a) May consider all evidence that it deems relevant to the investigation;

(b) Shall rule on the admissibility of evidence;

(c) Shall be the controlling authority with regard to the admissibility of evidence; and

(d) Need not follow the rules of admissibility of evidence that a court must follow.

4. The chairman of an advisory committee shall file a written report with the administrator that explains the results of the informal conference within 30 days after the conclusion of the informal conference. The report is and must remain confidential.

Sec. 16. 1. *A community manager is subject to disciplinary action if the community manager:*

(a) Commits any of the following:

(1) Unprofessional conduct;

(2) Professional incompetence;

(3) Negligence or gross negligence; or

(4) A felony or any offense involving moral turpitude; or

(b) Has had a certificate, permit or license that authorizes him to act as a community manager in another jurisdiction revoked or suspended.

2. *A community manager commits an act of unprofessional conduct if the community manager:*

(a) Violates the provisions of:

(1) An order of the commission;

(2) An agreement with the division; or

(3) This chapter or chapter 116 of NRS;

(b) Fails to disclose to the executive board of a client any material fact or other information that he knows or, in the exercise of reasonable care or diligence, should have known, which concerns or relates to the common-interest community and which is of customary or express interest to the client;

(c) Engages in deceitful, fraudulent or dishonest conduct, including, without limitation, knowingly communicating false or fraudulent information to the executive board of a client;

(d) Before obtaining a certificate or permit, committed an act which was in fact unknown to the division at the time it issued the certificate or permit and which would have been grounds for denial of a certificate or permit had the division been aware of the conduct;

(e) Obtains a certificate or permit by fraud or deceit or by concealing a material fact from the division, including, without limitation, making a false statement of material fact on the application for the certificate or permit;

(f) Fails to cooperate with the division in the investigation of a complaint, including, without limitation, failure to produce any document, book or record in the possession or control of the community manager after the division requests the production of such document, book or record in the course of an investigation of a complaint;

(g) Fails to perform impartially and consistently an activity that is lawful and properly authorized on behalf of a client or fails to perform a duty or obligation owed to a client because of the age, race, color, religion, national origin, disability, marital status, familial status, sex or ethnicity of any person, including, without limitation, a member of the client association, a tenant of the common-interest community of the client, a visitor of the common-interest community of the client or a member of the executive board of the client; or

(h) Fails to account for or remit money in his possession that belongs to another within a reasonable time of a request for an accounting or remittance of such money by the owner.

3. A community manager commits an act of professional incompetence if, without limitation, the community manager:

(a) Demonstrates a significant lack of ability, knowledge or fitness to perform a duty or obligation owed to a client; or

(b) Fails to exercise reasonable skill and care with respect to a duty or obligation owed to a client.

4. In determining whether a community manager has committed unprofessional conduct or professional incompetence, the commission and the administrator may consider, without limitation, whether the community manager has:

(a) Done his utmost to protect the public against fraud, misrepresentation or unethical practices related to the business affairs of the client;

(b) Acquired the knowledge of all pertinent facts concerning a client;

(c) Attempted to provide specialized professional services concerning a type of property or service that is outside his field of experience or competence without the assistance of a qualified authority unless the fact of his inexperience or incompetence is disclosed fully to the executive board of the client;

(d) Complied with the disclosure requirement of subsection 1 of section 11 of this regulation;

(e) Complied with the applicable governing documents, policies and procedures of the client;

(f) Kept informed of current statutes and regulations relating to common-interest communities and relating to other areas in which he attempts to provide guidance;

(g) Acted in the best interest of his client;

(h) Ensured that each management agreement is in writing and that each director of the executive board of the client has received a copy of the agreement;

(i) Obtained all changes of contractual terms in writing and has ensured that such changes are signed or initialed by the parties concerned; or

(j) Acquired knowledge of all material facts that are reasonably ascertainable and are of customary or express concern to a client and has conveyed that knowledge to the client.

5. As used in this section:

(a) "Disability" means:

(1) A physical or mental impairment that substantially limits one or more of the major life activities of the person;

(2) A record of such an impairment; or

(3) Being regarded as having such an impairment.

(b) "Familial status" means the fact that a person:

(1) Lives with a child under the age of 19 years and has:

(I) Lawful custody of the child; or

(II) Written permission to live with the child from the person who has lawful custody of the child;

(2) Is pregnant; or

(3) Has begun a proceeding to adopt or otherwise obtain lawful custody of a child.

Sec. 17. 1. *If the administrator refers the matter to the commission and after conducting a hearing the commission finds that grounds for disciplinary action against the community manager exist, the commission may take one or more of the following actions:*

(a) Revoke or suspend the certificate or permit;

(b) Refuse to renew or reinstate the certificate or permit;

(c) Place the community manager on probation;

- (d) Issue a reprimand or censure to the community manager;*
- (e) Impose a fine of not more than \$5,000 for each violation of a statute or regulation;*
- (f) Require the community manager to pay restitution;*
- (g) Require the community manager to pay the costs of the investigation and hearing;*
- (h) Require the community manager to obtain additional education relating to the management of common-interest communities; or*
- (i) Take such other disciplinary action as the commission deems appropriate.*

2. Unless the administrator determines otherwise and the person satisfies all the requirements for initial issuance of a certificate or permit, the commission will not issue another certificate or permit to a person whose certificate or permit has been revoked for at least one year after the date of the revocation.

Sec. 18. *Records kept in the office of the division under authority of this chapter are open to public inspection in the same manner as records are available for inspection pursuant to chapters 645 of NRS and NAC, except that the division may refuse to make public, unless ordered to do so by a court:*

- 1. Examinations;*
- 2. Files compiled by the division while investigating possible violations of chapter 116 or 645 of NRS, this chapter or chapter 645 of NAC; and*
- 3. The criminal and financial records of community managers and of applicants for a certificate or permit.*

Sec. 19. *1. The commission will follow the procedures set forth in NRS 645.680 to 645.740, inclusive, and NAC 645.810 to 645.830, inclusive, when conducting a hearing on a complaint against a community manager.*

2. As used in the provisions cited in subsection 1, for purposes of a hearing conducted pursuant to subsection 1:

(a) "License" means a certificate or permit, as applicable; and

(b) "Licensee" means a community manager.

Sec. 20. NAC 116.010 is hereby amended to read as follows:

116.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 116.020 to 116.060, inclusive, *and sections 2 to 8, inclusive, of this regulation* have the meanings ascribed to them in those sections.

Sec. 21. NAC 116.100 is hereby amended to read as follows:

116.100 1. A person who wishes to obtain a certificate must submit an application to the division on a form prescribed by the division.

2. The application must be accompanied by:

(a) A photograph of the applicant measuring approximately 2 inches by 2 inches taken within the 2 years immediately preceding the date of the application;

(b) Two sets of fingerprint cards that have been completed by a recognized law enforcement agency;

(c) An executed Law Enforcement Record Form No. 3321-SA or equivalent authorization for the release of information contained in records of law enforcement;

(d) Written authorization for the division to submit the fingerprint cards to the central repository for Nevada records of criminal history for further submission to the Federal Bureau of Investigation and to receive reports regarding the criminal histories of the subjects of the fingerprint cards;

(e) Payment of the fees charged by any local agencies of law enforcement, the central repository for Nevada records of criminal history and the Federal Bureau of Investigation for the handling of the fingerprint cards and issuance of the reports of criminal histories;

(f) The social security number of the applicant;

(g) A statement concerning whether the applicant has been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or possessing for the purpose of sale any controlled substance or any crime involving moral turpitude;

(h) Documentation that the applicant possesses the education and experience required pursuant to NAC 116.120;

(i) Documentation of the employment history of the applicant for the 10 years immediately preceding the date of the application, including, without limitation, letters of recommendation and affidavits of employment from common-interest communities or employers in other related areas;

(j) *The statement described in section 9 of this regulation;*

(k) A fee of \$75; and

~~(l)~~ (l) Such other pertinent information as the division may require.

Sec. 22. NAC 116.120 is hereby amended to read as follows:

116.120 1. Except as otherwise provided in subsection 2, an applicant must:

(a) Have successfully completed at least ~~30~~ 24 hours of instruction in courses in property management as it relates to the management of a common-interest community that have been approved by the commission, including, without limitation:

(1) At least ~~14~~ 8 hours of instruction relating to federal, state and local laws applicable to property management as it relates to the management of a common-interest community, including, without limitation, instruction relating to:

- (I) The Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.;
- (II) The Uniform Common-Interest Ownership Act as set forth in chapter 116 of NRS;
- (III) The Nevada Fair Housing Law as set forth in chapter 118 of NRS;
- (IV) The Residential Landlord and Tenant Act as set forth in chapter 118A of NRS;
- (V) The disclosure of required information in real estate transactions;
- (VI) Defects in construction;
- (VII) Alternative dispute resolution for claims relating to residential property within a common-interest community as set forth in NRS 38.300 to 38.360, inclusive;
- (VIII) Corporation law;
- (IX) Industrial insurance; and
- (X) Health and safety.

(2) At least 16 cumulative hours of instruction in the following subjects:

- (I) The maintenance of real property;
- (II) Accounting, including, without limitation, budgets for revenues, expenditures and reserves;
- (III) Governmental relations concerning issues that affect a common-interest community, including, without limitation, zoning and planning;
- (IV) The management of facilities;
- (V) The management of human resources;
- (VI) Governing documents;

(VII) Risk management; and

(VIII) The types of insurance that must be maintained by a common-interest community pursuant to NRS 116.3113.

(b) Provide evidence that he has been engaged in the management of a common-interest community or has held a management position in a related area for:

(1) The 12 months immediately preceding the date of his application; or

(2) At least 2 of the 4 years immediately preceding the date of his application.

2. An applicant may provide evidence of any other combination of education and experience that the division may deem to be equivalent to the requirements set forth in this section.

Sec. 23. NAC 116.160 is hereby amended to read as follows:

116.160 1. A certificate must be renewed biennially.

2. Except as otherwise provided by subsection 6, the division shall renew a certificate if the applicant submits to the division at least 30 days before the expiration of his certificate:

(a) A completed application on a form prescribed by the division;

(b) *The statement described in section 9 of this regulation;*

(c) A renewal fee of \$60; and

~~(e)~~ (d) Documentation of the successful completion by the applicant of at least ~~6~~ 9 hours of continuing education in courses approved by the commission within the 2 years immediately preceding the date on which the certificate expires. At least 3 hours of the continuing education must consist of instruction relating to laws of this state that are applicable to the responsibilities and duties involved in the management of a common-interest community.

3. The renewal of a certificate is effective on the date on which the renewal of the certificate is issued.

4. If the holder of a certificate fails to complete the required hours of continuing education or fails to file an application for the renewal of his certificate before it expires, he may not engage in the management of a common-interest community until his certificate is reinstated.

5. In addition to submitting the documents and fee set forth in subsection 2, an applicant who wishes to reinstate his certificate must submit to the division:

(a) Current fingerprint cards that have been completed by a recognized law enforcement agency;

(b) An executed Law Enforcement Record Form No. 3321-SA or equivalent authorization for the release of information contained in records of law enforcement;

(c) Written authorization for the division to submit the fingerprint cards to the central repository for Nevada records of criminal history for further submission to the Federal Bureau of Investigation and to receive reports regarding the criminal histories of the subjects of the fingerprint cards; and

(d) Payment of the fees charged by any local agencies of law enforcement, the central repository for Nevada records of criminal history and the Federal Bureau of Investigation for the handling of the fingerprint cards and issuance of the reports of criminal histories.

6. The division may refuse to renew or reinstate a certificate if:

(a) The applicant has been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or possessing for the purpose of sale any controlled substance or any crime involving moral turpitude; ~~or~~

(b) *The applicant fails to complete, sign and submit the statement required pursuant to section 9 of this regulation;*

(c) The division has received a formal complaint submitted in accordance with subsection 2 of section 12 of this regulation that has not been resolved in favor of the applicant;

(d) The division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional certificates and permits issued to the applicant;
or

(e) An investigation conducted by the division pursuant to ~~NAC 116.170 reveals:~~

~~—— (1) Unprofessional conduct; or~~

~~—— (2) Professional incompetence;~~

~~on the part of]~~ *section 12 of this regulation reveals that the applicant has engaged in conduct which is grounds for disciplinary action pursuant to section 16 of this regulation* within the 2 years immediately preceding the date on which the certificate expires.

7. If the division, after an application to renew or reinstate a certificate in proper form has been filed, accompanied by the proper fees, refuses to renew or reinstate the certificate, it shall give notice of this fact to the applicant within 15 days after the ruling, order or decision. The applicant may file a written request for a hearing before the commission pursuant to the procedures set forth in NAC 116.150.

8. If the division refuses to renew or reinstate a certificate because it receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional certificates and permits issued to the applicant, the division shall reinstate the certificate if the division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose certificate was suspended stating that the person has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 24. Chapter 645 of NAC is hereby amended by adding thereto a new section to read as follows:

A person who holds a permit and engages in the management of a common-interest community is subject to the provisions of chapters 116 of NRS and NAC relating to managers of common-interest communities.

Sec. 25. NAC 645.802 is hereby amended to read as follows:

645.802 1. The division may renew a permit to engage in property management if the holder of the permit submits to the division:

(a) A request for the renewal of his permit with his application to renew his license as a real estate broker, real estate broker-salesman or real estate salesman;

(b) A renewal fee of \$40; and

(c) Documentation of his successful completion of the requirements for continuing education required by paragraph (a) of subsection 4 of NRS 645.6052.

2. The hours of continuing education used to fulfill the requirements set forth in paragraph (c) of subsection 1 must include **[instruction]** :

(a) **Instruction** relating to any amendments to the laws of this state governing property management **[]**; and

(b) *If the holder of the permit is a manager of a common-interest community pursuant to chapter 116 of NAC, 3 hours of instruction relating to the laws of this state that are applicable to the responsibilities and duties involved in the management of a common-interest community.*

3. The renewal of a permit is effective on the date on which the application for renewal of a license is submitted to the division or on the date on which the renewal fees for the license and the permit are paid, whichever occurs later.

4. A permit expires on the same date as the holder's license expires.

Sec. 26. NAC 116.170 is hereby repealed.

TEXT OF REPEALED SECTION

116.170 Investigation of complaint against holder of certificate; refusal to renew or reinstate certificate. (NRS 116.31139) If the division receives a complaint against a holder of a certificate, the division may investigate the complaint. The division may refuse to renew or reinstate a certificate based upon such a complaint.