

**PROPOSED REGULATION OF COMMISSION
OF APPRAISERS OF REAL ESTATE**

LCB File No. R036-00

March 8, 2000

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

AUTHORITY: §§1-10; NRS 645C.210.

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

Sec. 2. *On or after the effective date of this regulation, an applicant for registration as an intern pursuant to NRS 645C.270 must include on his application evidence satisfactory to the division that he has successfully completed at least 75 hours of instruction in the classroom in the following subjects:*

- 1. Factors that influence the value of real estate;*
- 2. Legal considerations of appraisals;*
- 3. Types of value;*
- 4. Economic principles;*
- 5. The real estate market and an analysis of that market;*
- 6. The process of valuation;*
- 7. Description of real estate;*
- 8. Analysis of the highest and best use of real estate;*
- 9. Mathematics and statistics related to appraisals;*
- 10. Analysis of value by sales comparison;*

11. *Analysis of value by cost;*
12. *Analysis of value by income;*
13. *The valuation of a site;*
14. *The valuation of partial interests;*
15. *Standards and ethics relating to appraisals; and*
16. *Other subjects relating to appraisals.*

Sec. 3. *A registered intern must complete at least 30 hours of courses in continuing education that have been approved by the division every 2 years as a condition of the renewal of his registration as an intern.*

Sec. 4. NAC 645C.065 is hereby amended to read as follows:

645C.065 1. For the purpose of subsection 1 of NRS 645C.330, “at least 2 years of experience working full time” means experience gained as an appraiser or while in the employment of a licensed or certified appraiser as an intern for at least 2,400 hours during a period not less than 2 years before applying for a license. An applicant shall not apply for a license until at least 2 years after he commenced working as an appraiser or intern. The applicant need not have worked exclusively as an appraiser or intern during the period of employment and need not have worked a specific minimum number of hours in the workday.

2. For the purpose of subsection 2 of NRS 645C.330, “at least 2 years of experience working full time” means experience gained as an appraiser or while in the employment of a licensed or certified appraiser as an intern for at least ~~2,400~~ 2,500 hours during a period not less than 2 years before applying for a certificate. An applicant shall not apply for a certificate until at least 2 years after he commenced working as an appraiser or intern. The applicant need not have worked exclusively as an appraiser or intern during the period of employment and need not have

worked a specific minimum number of hours in the workday. Not less than 500 hours of those ~~[2,400]~~ 2,500 hours must relate to the appraisal of real estate suitable for or consisting of no more than four residential units in any one transaction, without regard to value or complexity.

3. For the purpose of subsection 3 of NRS 645C.330, “at least 3 years of experience working full time” means experience gained as an appraiser or while in the employment of a licensed or certified appraiser as an intern for at least 3,600 hours during a period not less than 3 years before applying for a certificate. An applicant shall not apply for a certificate until at least 3 years before he commenced working as an appraiser or intern. The applicant need not have worked exclusively as an appraiser or intern during the period of employment and need not have worked a specific minimum number of hours in the workday. Not less than 1,000 hours of those 3,600 hours must relate to the appraisal of commercial real estate or real estate suitable for or consisting of more than four residential units in any one transaction.

4. Experience as an appraiser must demonstrate the applicant’s ability to employ correctly the generally accepted techniques that are necessary to produce a credible appraisal.

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 may submit:

(a) For work accomplished in Nevada after January 1, 1990, the form required by NAC 645C.120;

(b) A log similar to the form required by NAC 645C.120; or

(c) A list of appraisals to which he made a significant professional contribution.

Sec. 5. NAC 645C.085 is hereby amended to read as follows:

645C.085 1. The examination for a license or certificate as an appraiser will be at least ~~4~~ 3 hours, but not more than 8 hours. The times may be different for the examination for certification of general appraisers, licensure of residential appraisers and certification of residential appraisers. 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 must not be made public except as otherwise provided by statute or regulation.

Sec. 6. NAC 645C.200 is hereby amended to read as follows:

645C.200 For the purposes of NAC 645C.200 to ~~465C.260,~~ 645C.260, inclusive, *and section 2 of this regulation*, “school” includes:

1. The University of Nevada, or any other university or college with the same or an equivalent accreditation.

2. Any professional school or college licensed by the commission on postsecondary education.

3. Any professional school or college located in this state or in another state which has standards for licensure or certification approved by the ~~Appraiser’s~~ *Appraisal* Subcommittee of the Federal Financial Institutions Examination Council, or which is licensed or accredited by a real estate appraisers’ commission, a department of education or an equivalent agency of another state.

4. A nationally recognized appraiser’s organization which is a member of the Appraisal Foundation or an organization approved by the commission.

Sec. 7. NAC 645C.235 is hereby amended to read as follows:

645C.235 1. On or before December 31, 1990, a course of instruction, in order to comply with the requirements of paragraph (a) of subsection 1 of NRS 645C.330 for an applicant for a license as a residential appraiser, must consist of at least 75 hours of instruction in the classroom, including instruction in the following subjects:

- (a) Ethics;
- (b) Principles of value;
- (c) Methods of appraisal and reconciliation;
- (d) The standards of professional practice and the laws of this state governing the licensing and certification of appraisers; and
- (e) Other subjects relating to appraisals.

FLUSH At least 15 hours of instruction must be provided in the subjects described in paragraph (d).

2. On or after January 1, 1991, *but before June 9, 1997*, a course of instruction, in order to comply with the requirements of paragraph (a) of subsection 1 of NRS 645C.330 for an applicant for a license as a residential appraiser, must consist of at least 75 hours of instruction in the classroom, including instruction in the following subjects:

- (a) Factors that influence the value of real estate;
- (b) Legal considerations of appraisals;
- (c) Types of value;
- (d) Economic principles;
- (e) The real estate market and its analysis;
- (f) The process of valuation;
- (g) Description of real estate;
- (h) Analysis of the highest and best use of real estate;

- (i) Mathematics and statistics related to appraisals;
- (j) Analysis of value by sales comparison;
- (k) Analysis of value by cost;
- (l) Analysis of value by income;
- (m) The valuation of a site;
- (n) The valuation of partial interests;
- (o) Standards and ethics relating to appraisals;
- (p) The laws of this state governing appraisals; and
- (q) Other subjects relating to appraisals.

3. On or after June 9, 1997, a course of instruction, in order to comply with the requirements of paragraph (a) of subsection 1 of NRS 645C.330 for an applicant for a license as a residential appraiser, must consist of at least 90 hours of instruction in the classroom, including instruction in the following subjects:

- (a) Factors that influence the value of real estate;*
- (b) Legal considerations of appraisals;*
- (c) Types of value;*
- (d) Economic principles;*
- (e) The real estate market and its analysis;*
- (f) The process of valuation;*
- (g) Description of real estate;*
- (h) Analysis of the highest and best use of real estate;*
- (i) Mathematics and statistics related to appraisals;*
- (j) Analysis of value by sales comparison;*

- (k) Analysis of value by cost;*
- (l) Analysis of value by income;*
- (m) The valuation of a site;*
- (n) The valuation of partial interests;*
- (o) Standards and ethics relating to appraisals;*
- (p) The laws of this state governing appraisals; and*
- (q) Other subjects relating to appraisals.*

Sec. 8. NAC 645C.240 is hereby amended to read as follows:

645C.240 1. On or before December 31, 1990, a course of instruction, in order to comply with the requirements of paragraph (a) of subsection 3 of NRS 645C.330, of an applicant for a license as a general appraiser, must consist of at least 165 hours of instruction in the classroom, including instruction in the following subjects:

- (a) Ethics;
- (b) Principles of value;
- (c) Methods of appraisal and reconciliation;
- (d) The standards of professional practice and the laws of this state governing the licensing and certification of appraisers; and
- (e) Other subjects relating to appraisals.

FLUSH At least 15 hours of instruction must be provided in the subjects described in paragraph (d).

2. On or after January 1, 1991, *but before June 9, 1997*, a course of instruction, in order to comply with the requirements of paragraph (a) of subsection 3 of NRS 645C.330 of an applicant for a license as a general appraiser, must consist of at least 165 hours of instruction in the classroom, including instruction in the following subjects:

- (a) Factors that influence the value of real estate;
- (b) Legal considerations of appraisals;
- (c) Types of value;
- (d) Economic principles;
- (e) The real estate market and its analysis;
- (f) The process of valuation;
- (g) Description of real estate;
- (h) Analysis of the highest and best use of real estate;
- (i) Mathematics and statistics related to appraisals;
- (j) Analysis of value by sales comparison;
- (k) Analysis of value by cost;
- (l) Analysis of value by income;
- (m) The valuation of a site;
- (n) The valuation of partial interests;
- (o) Standards and ethics relating to appraisals;
- (p) The laws of this state governing appraisals; and
- (q) Other subjects relating to appraisals.

3. On or after June 9, 1997, a course of instruction, in order to comply with the requirements of paragraph (a) of subsection 3 of NRS 645C.330 of an applicant for a license as a general appraiser, must consist of at least 180 hours of instruction in the classroom, including instruction in the following subjects:

- (a) Factors that influence the value of real estate;***
- (b) Legal considerations of appraisals;***

- (c) Types of value;*
- (d) Economic principles;*
- (e) The real estate market and its analysis;*
- (f) The process of valuation;*
- (g) Description of real estate;*
- (h) Analysis of the highest and best use of real estate;*
- (i) Mathematics and statistics related to appraisals;*
- (j) Analysis of value by sales comparison;*
- (k) Analysis of value by cost;*
- (l) Analysis of value by income;*
- (m) The valuation of a site;*
- (n) The valuation of partial interests;*
- (o) Standards and ethics relating to appraisals;*
- (p) The laws of this state governing appraisals; and*
- (q) Other subjects relating to appraisals.*

Sec. 9. NAC 645C.445 is hereby amended to read as follows:

645C.445 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 119, 119A, 645, ~~[645A-01]~~ 645C *or 645D* of NRS or the regulations adopted pursuant thereto and need not be limited to the matter in the complaint.

3. *The division may accept written anonymous complaints. If an anonymous complaint includes sufficient information indicating that a violation of any provision of chapter 119, 119A, 645, 645C or 645D of NRS, or of any regulation adopted pursuant thereto, has likely occurred, the division shall investigate the complaint. Such an investigation is not limited to the matter in the complaint.*

4. An appraiser or intern shall disclose all facts and documents pertinent to an investigation to members of the division's staff conducting the investigation.

~~[4.]~~ 5. If the division determines that sufficient evidence exists to establish a violation, it ~~[will]~~ **shall** prepare and file a formal complaint with the commission. If insufficient evidence exists, the division may dismiss the matter without prejudice at any time.

Sec. 10. 1. Notwithstanding the provisions of section 3 of this regulation to the contrary, section 3 of this regulation only applies to:

(a) Persons who are issued a new registration card by the real estate division on or after the effective date of this regulation; and

(b) Registered interns upon the renewal of their registration as an intern with the real estate division.

2. As used in this section:

(a) "Real estate division" means the real estate division of the department of business and industry.

(b) "Registered intern" has the meaning ascribed to it in NRS 645C.120.

(c) "Registration card" has the meaning ascribed to it in NRS 645C.130.