

**ADOPTED REGULATION OF THE
REAL ESTATE COMMISSION**

LCB File No. R092-00

§§1, 3 and 6-11, inclusive, effective August 29, 2000

§§2, 4 and 5 effective January 1, 2001

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

AUTHORITY: §§1 and 11, NRS 645.190; §§2, 4 and 5, NRS 645.190 and 645.343; §§3 and 10, NRS 645.190 and 645.6052; §§6 and 7, NRS 645.190 and 645.575; §8, NRS 645.190 and 645.560; §9, NRS 645.190, 645.6052 and 645.630.

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

Sec. 2. 1. *A course of instruction in broker management that is designed to fulfill the educational requirements for issuance of a license which are described in paragraph (d) of subsection 2 of NRS 645.343 must be approved by the commission.*

2. To be approved by the commission, a course in broker management must include, without limitation:

(a) Six hours of instruction relating to office policy and procedure, risk management, errors and omissions, controlled business arrangements, compensation, employee-employer relationships and the status of independent contractors;

(b) Three hours of instruction relating to creating business plans;

(c) Three hours of instruction on forms used by real estate brokerages for real estate transactions;

(d) Six hours of instruction that provides an overview of programs for financing real estate transactions, including, without limitation, terminology relating to such programs, the cost of transactions, customary transaction closing costs, and transaction cost and net sheets;

(e) Six hours of instruction on recent changes in state and local laws;

(f) Six hours of instruction on federal laws governing real estate transactions;

(g) Six hours of instruction on professional relationships between agents and their clients;

(h) Three hours of instruction on valuation of real estate and general principles of economics; and

(i) Six hours of instruction on emerging trends and practices.

Sec. 3. *In addition to the requirements set forth in NRS 645.6052 and the regulations adopted pursuant thereto, to obtain a permit pursuant to NRS 645.6052, a person who is designated to engage in property management on behalf of a partnership, corporation, limited-liability company or sole proprietor pursuant to NRS 645.6054 must be a broker or a broker salesman with 2 years of full-time active experience within the 4 years immediately preceding the date the person applies for a permit to engage in property management on behalf of a partnership, corporation, limited-liability company or sole proprietor pursuant to NRS 645.6054.*

Sec. 4. NAC 645.440 is hereby amended to read as follows:

645.440 1. Except as otherwise provided in subsection 2, before any school offers or conducts a course of instruction designed to fulfill the educational requirements for issuance of an original license under chapter 645 of NRS, the school must be approved by the commission.

2. ~~The~~ *Unless the course is a course in broker management, the* commission will accept such a course from any of the following schools without prior approval of the school:

(a) The University of Nevada or other university or college bearing the same or equivalent accreditation.

(b) Any college of the University and Community College System of Nevada.

(c) Any other school offering a course in real estate, business ~~or~~ or economics if the course is:

(1) Approved by any real estate commission or division in any state of the United States or province of Canada; or

(2) In the judgment of the commission, equivalent in quality to the courses of colleges or universities accredited by any regional accrediting agency recognized by the United States Department of Education.

(d) The American Institute of Real Estate Appraisers, the American Society of Appraisers, the Appraisal Institute, the International Association of Assessing Officers ~~or~~ or the Society of Real Estate Appraisers for courses in real estate appraisal consisting of not less than 45 hours of instruction. Forty-five hours of instruction shall be deemed to be the equivalent of 3 semester credits in appraisal.

Sec. 5. NAC 645.441 is hereby amended to read as follows:

645.441 1. The division ~~will~~ *shall* not accept an applicant's completion of a course of a kind which is designed to prepare students for examination, ~~or~~ commonly known as a "cram ~~course~~" *course,*" as fulfillment of his educational requirements for his original licensing.

2. None of the following kinds of courses will be accepted from an applicant as fulfillment of any part of the first 24 semester units of education which are required by subsections 1 to 4, inclusive, of NRS 645.343 for original licensing:

(a) Courses designed to develop or improve clerical, office ~~H~~ or business skills, such as typing, shorthand, operation of business machines, improvement of memory, or writing of letters and reports; or

(b) Business courses in advertising or psychology.

3. The division shall not accept a course in broker management required pursuant to paragraph (d) of subsection 2 of NRS 645.343 unless the course and the school that offers the course have been approved by the commission.

Sec. 6. NAC 645.455 is hereby amended to read as follows:

645.455 1. An application for the approval of a course for continuing education must be submitted to the division on a form provided by the division for review and presentation to the commission.

2. The commission will not grant retroactive approval for a course for continuing education.

3. The commission will grant credit for a course for continuing education only if:

(a) The course consists of at least 3 hours of distance education or instruction in a classroom.

(b) For a course of instruction in a classroom, the sponsor of the course:

(1) Certifies to the attendance of licensees who take the course for credit.

(2) Maintains for 3 years a record of attendance which contains the following information

with respect to each licensee who has taken the course for credit:

(I) The name of the licensee in attendance and the number of his license.

(II) The title and number of the course.

(III) The hours of instruction attended and dates of attendance by the licensee.

(IV) A statement that the licensee has successfully completed the course, if applicable.

(3) Assures the commission that an approved instructor will preside throughout the course.

(c) For a course of distance education, the sponsor of the course:

(1) ~~Administers~~ *Requires each student to:*

(I) Take a closed-book final examination ~~on which a licensee must~~ with a proctor present at a location designated by the sponsor in its application for approval filed with the division and receive a score of at least 75 percent to pass the course ~~;~~;

(II) Prove his identity before he is allowed to take any examination;

(III) Complete an entire course to receive credit for taking the course; and

(IV) Complete each course within an established minimum and maximum time.

(2) *Only gives credit for the number of hours for which the course has been approved by the division to a licensee who has completed the course.*

(3) Publishes a policy for retaking an examination which a licensee failed.

~~(3)~~ (4) Maintains for 3 years a record of completion of the course which contains the following information with respect to each licensee who has taken the course for credit:

(I) The name of the licensee who completes the course and the number of his license.

(II) The title and number of the course.

(III) A statement that the licensee has successfully completed the course which includes, without limitation, the date that the course was completed and the number of hours completed.

4. If a course is approved, the sponsor shall provide a certified copy of the record of attendance or record of completion to the licensee upon his completion of the course. The division shall accept the certificate as proof of the attendance of the licensee or completion of the course by the licensee for the purpose of renewal or reinstatement of his license. If the course is

taken at a university or community college, the proof of attendance must be a certified transcript.

The certificate of a sponsor must contain the:

- (a) Name of the sponsor;
- (b) Name of the licensee and his license number;
- (c) Number of hours of instruction;
- (d) Dates of instruction for a course of instruction in a classroom;
- (e) Date of completion of the course for a course of distance education;
- (f) Title of the course or seminar;
- (g) Number of the sponsor assigned by the division and a statement that the course was approved by the commission;
- (h) Signature of the person authorized to sign for the sponsor; and
- (i) Grade received by the licensee or a statement of whether the licensee passed the class if an examination was given.

Sec. 7. NAC 645.463 is hereby amended to read as follows:

645.463 1. A licensee may receive credit for continuing education if he teaches an approved course. Credit will be given only once for teaching the course. The licensee must submit proof that he taught the course during the applicable period of licensing.

2. A course may not be taken for credit more than once ~~unless the material in the course has been significantly changed or brought up to date.~~ *during any two consecutive periods for renewal of a license.*

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

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

5. The sponsor shall determine whether a final examination is required for the completion of a course.

Sec. 8. NAC 645.615 is hereby amended to read as follows:

645.615 1. The sign which NRS 645.560 requires each broker to erect and maintain in a conspicuous place upon the premises of his place of business must be ~~visible~~ *readable* from the nearest public sidewalk, street ~~or~~ or highway.

2. If the broker's place of business is located in an office building, hotel ~~or~~ or apartment house, the broker's sign must be posted on the building directory or on the exterior of the entrance to the business.

3. Upon request by the division, the broker shall furnish a photograph of his sign as proof of his compliance with NRS 645.560 and this section.

Sec. 9. NAC 645.695 is hereby amended to read as follows:

645.695 1. The administrator may require a licensee to pay an administrative fine in the amount set forth in this subsection for a violation of the following provisions:

	First Offense	Second or Subsequent Offense
NRS 645.252.....	\$500	\$1,000
Subsection 4, 5 or 6 of NRS 645.310.....	500	1,000
NRS 645.530.....	100 per license	200 per license

<i>NRS 645.550</i>	<i>500</i>	<i>1,000</i>
<i>NRS 645.560</i>	<i>500</i>	<i>1,000</i>
Subsection 1 of NRS 645.570.....	250	500
Subsection 1 of NRS 645.580.....	250	500
Subsection 1, 2, 3, 5, 6, 8, 9, 10, 11 or 12 of NRS 645.630	500	1,000
Subsection 7 of NRS 645.630.....	1,000	2,000
Subsection 3, 5, 7 or 8 of NRS 645.633	500	1,000
Subsection 6 of NRS 645.633.....	250	500
Subsection 1, 2, 5, 6 or 8 of NRS 645.635	500	1,000
NRS 645.660.....	500	1,000
NAC 645.180.....	500	1,000
Subsection 1, 2 or 4 of NAC 645.610.....	250	500
Subsection 3 of NAC 645.610	500	1,000
NAC 645.615	250	500
NAC 645.625	250	500
NAC 645.627	250 <i>500</i>	500 <i>1,000</i>
NAC 645.637	250	500
NAC 645.640.....	500	1,000
NAC 645.645	500	1,000
NAC 645.650	500	1,000
NAC 645.655	250	500

2. In addition to imposing an administrative fine pursuant to subsection 1, the administrator may:

(a) Recommend to the commission that the license of the licensee, the permit of the licensee if he holds a permit to engage in property management, or both, be suspended or revoked if the licensee is found guilty of a third or subsequent offense of any of the provisions set forth in subsection 1.

(b) Require a licensee to complete not more than 9 hours of continuing education.

Sec. 10. NAC 645.806 is hereby amended to read as follows:

645.806 1. On or before the date of expiration of his license as a real estate broker, a broker who engages in property management or who associates with a property manager who engages in property management shall provide to the division, on a form provided by the division, an annual accounting as required by subsection 5 of NRS 645.310 which shows an annual reconciliation of each trust account related to property management that he maintains.

2. The reconciliation required pursuant to subsection 1 must include the 30 days immediately preceding the expiration date of his license as a real estate broker.

3. A broker who engages in property management or who associates with a property manager who engages in property management shall maintain complete accounting records of each trust account related to property management that he maintains for at least ~~7~~ 5 years after the last activity by the broker which involved the trust account. If the records are maintained by computer, the broker shall maintain an additional copy of the records on computer disc for at least ~~7~~ 5 years after the last activity by the broker which involved the trust account.

Sec. 11. 1. This section and sections 1, 3 and 6 to 10, inclusive, of this regulation become effective upon filing with the secretary of state.

2. Sections 2, 4 and 5 of this regulation become effective on January 1, 2001.

NOTICE OF ADOPTION OF REGULATION

The DEPARTMENT OF BUSINESS & INDUSTRY, REAL ESTATE DIVISION, REAL ESTATE COMMISSION, adopted regulations assigned LCB File No. R092-00, which pertain to Chapter 645 of the Nevada Administrative Code on JUNE 6, 2000. A copy of the regulations as adopted is attached hereto.

INFORMATIONAL STATEMENT

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066 LCB FILE NO. R092-00

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

- 1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

Notice of Workshop and Intent was posted in all of the public libraries in each county of the State and at all of the normal posting locations. Notice of workshop and Intent was mailed to most of the education providers in the State.

We did not receive any written public responses, but did have several in attendance at the workshop. A summary of the oral comments presented at the workshop is attached hereto, and may be obtained by contacting the Nevada Real Estate Division, 2501 E. Sahara Avenue, Suite 100, Las Vegas, Nevada 89104, Attn: Tami DeVries.

- 2. The number of persons who attended the workshops and hearings:**

Workshop held on April 17, 2000:	17
Hearing held on June 6, 2000:	7

- 3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

A copy of the Notice of Workshop was mailed out to all of the continuing education providers, Real Estate Education Association members, and time share instructors. There were no written responses, and the oral responses are attached from the workshop summary. Copies of the summary may be obtained by contacting the Nevada Real Estate

Division, 2501 E. Sahara Avenue, Suite 100, Las Vegas, Nevada 89104, Attn: Tami DeVries.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

There were changes to the regulation prior to adoption.

5. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:

Business which it is to regulate:

(a) Both adverse and beneficial effects: and

There are no adverse effect of the changes to the process for approving education known at this time. The beneficial effects of the changes would be that providers would be able to have their courses approved in a much quicker fashion, and staff would have more time to spend auditing the existing courses.

There are no adverse effects of the other changes in this proposal, as most of the changes were simply for clarification. The beneficial effect is that the industry may have a more clear understanding of the statutes and regulations.

(b) Both immediate and long-term effects.

The immediate effects would be that the Division would be able to work more closely with the educational providers in order to maintain a high quality of courses on the market. The long term effect would be a better educated industry.

Public:

(a) Both adverse and beneficial effects: and

There are no adverse effects on the public by these regulations. The beneficial effect would be that there would now be a more informed and better educated real estate industry.

(b) Both immediate and long-term effects.

There would be no immediate effect. The long term effect would be a better educated and informed real estate industry.

6. The estimated cost to the agency for enforcement of the adopted regulation.

The change to the educational process would save the agency money by not having to prepare for hearings. There would be less paper used, less postage, less staff time and less commissioner time used. The changes to the other provisions would have little of no financial effect on the

agency. The changes to the Administrative sanctions would save the agency money because there would be less time involved in assessing an administrative sanction on offices out of compliance rather than the time and cost of commission hearings.

7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There is no other state, federal or other governmental agency's regulations which the proposed regulations duplicate or overlap.

8. If the regulation includes provisions, which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

These regulations are not more stringent than a federal regulation.

9. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

This regulation does not provide or involve any new fees and therefore there is no total amount expected to be collected or used.