

**ADOPTED REGULATION OF THE
COMMISSION OF APPRAISERS OF REAL ESTATE**

LCB File No. R064-07

Effective January 30, 2008

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

AUTHORITY: §§1 and 3-5, NRS 645C.210; §2, NRS 645C.210 and 645C.330.

A REGULATION relating to real estate; requiring a school that is approved by the Commission of Appraisers of Real Estate to offer and conduct instruction to fulfill the educational requirements for licensure or certification as an appraiser of real estate to obtain the approval of the Commission of each course offered or conducted by the school; revising provisions concerning the annual renewal of approval of such a school; revising provisions concerning the experience required to obtain licensure or certification as an appraiser of real estate; revising provisions concerning the confidentiality of certain documents; and providing other matters properly relating thereto.

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

1. A school that is approved by the Commission pursuant to NAC 645C.205 must obtain the Commission's approval of each course offered or conducted by the school that is designed to fulfill the educational requirements for licensure or certification under chapter 645C of NRS. An application for approval of a course must be submitted to the Division on a form prescribed by the Division.

2. The Commission's approval of a course is effective for 1 year. The school must apply annually to renew the approval of the course. The application must be submitted to the Division on a form prescribed by the Division and describe the changes, if any, in the course

since its last approval. The application must be received by the Division not less than 30 days before the expiration of the previous approval.

3. The Division may renew the approval of a course if no changes in the course have occurred since the course was approved by the Commission.

4. The Commission's approval of a course is subject to the condition that the Division may audit and evaluate the presentation of the course.

5. Each of the following acts and conditions is a ground for the Commission to withdraw its approval of a course:

(a) Poor quality of the curriculum or instruction, as demonstrated by an evaluation or audit.

(b) Violation of any of the provisions of this chapter.

Sec. 2. 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 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 may 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 certified appraiser as an intern for at least 2,500 hours during a period not less than 2 years before applying for a certificate. An applicant may 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 2,500 hours must relate to the appraisal of complex property as defined in NRS 645C.055.

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 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 may not apply for a certificate until at least 3 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 ~~1,000~~ **1,500** 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 *gained* as an appraiser *or while in the employment of a certified appraiser as an intern* must ~~[demonstrate]~~ :

(a) Be obtained after January 30, 1989;

(b) Be in compliance with USPAP; and

(c) 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. 3. NAC 645C.200 is hereby amended to read as follows:

645C.200 For the purposes of NAC 645C.200 to 645C.260, inclusive, *and section 1 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 a real estate appraiser’s 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. 4. NAC 645C.260 is hereby amended to read as follows:

645C.260 1. Within 15 calendar days after the occurrence of any material change in the school which would affect its approval by the Commission, the school shall give the Division written notice of that change.

2. *The Commission’s approval of a school expires 1 year after the date on which it is given.* To qualify for ~~[annual]~~ a renewal of approval by the Commission, a school must, *not*

later than 30 days before the expiration of the approval, submit to the ~~Commission before July 1~~ *Division*:

(a) A written certification, in a form prescribed by the Division, declaring that the school has met all applicable requirements of this chapter; and

(b) A sworn statement, in a form prescribed by the Division, declaring that the information contained in the original application is current or if it is not current, a list of all material changes.

3. The Commission may deny renewal of approval to any school that does not meet the standards required by this chapter.

4. Within 60 calendar days after a decision is made to deny renewal of approval, the ~~Commission~~ *Division* will send written notice of the decision and the basis for that decision by certified mail to the last known address of the school.

Sec. 5. NAC 645C.620 is hereby amended to read as follows:

645C.620 1. If an advisory committee is established to assist the Administrator with the review of an investigation conducted pursuant to NAC 645C.480, the Administrator shall schedule an informal conference between the advisory committee and the appraiser 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 appraiser 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) Is 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.

5. ~~[A]~~ *Except as otherwise provided in NRS 645C.220 and 645C.225, a* report filed pursuant to subsection ~~[3 of NAC 645C.610, a report filed pursuant to subsection]~~ 4 and all proceedings before an advisory committee are and must remain confidential.

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R064-07**

The Commission of Appraiser of Real Estate adopted regulations assigned LCB File No. R064-07 which pertain to chapter 645C of the Nevada Administrative Code.

INFORMATIONAL STATEMENT

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

Notice of the proposed regulations were posted on the Real Estate Division website and in various other public locations where both the public and other interested persons would have access to that information. The Division conducted a public workshop on August 28, 2007 in Las Vegas which was video conferenced to Carson City. Public comment was, also solicited at the public hearing in Carson City on December 3, 2007.

- 2. The number of persons who:**

	<u>CC</u>	<u>LV</u>
Attended workshop: 08/28/07:	1	15
Submitted written comments:	0	0
Attended hearing 12/03/07:	3	
Submitted written comments:		0

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

The public was invited to comment in the public workshop and hearing or in writing. Additionally, the Commission has had as a standing agenda item for their meetings discussion to review Chapter 645C of NAC and make recommendations for proposed changes, additions, and deletions since September 2005 and through December 3, 2007. At each meeting, the Commission considered possible changes to the Nevada Administrative Code for Chapter 645C, solicited public comment, and formulated their proposals for changes.

Interested persons are informed that they can obtain a copy of comment summaries by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4036.

Minutes of the Commission's meetings are available on the Division's website (www.red.state.nv.us) or by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4036.

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 no public comments made at the workshop or the adoption hearing resulting in no changes in the proposed regulation.

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:

(1) Both adverse and beneficial effects:

Beneficial effects: Establishes procedures for the issuance of a license or certificate. Revises the provisions concerning the annual renewal of approval of schools. Also revises provisions relating to interns.

Adverse effects: There are no anticipated adverse effects to the public by the adoption of this regulation.

Beneficial effects:

(2) Both immediate and long-term effects.

Immediate effects: Provides changes to the experience required to obtain licensure or certification as an appraiser of real estate.

Long-term effects: The appraisal industry will be in compliance with both federal and state regulations.

Public:

(1) Both adverse and beneficial effects:

Beneficial effects: The public will benefit from the appraisal industries requirement for more education.

Adverse effects: There are no anticipated adverse effects to the public by the adoption of this regulation.

(2) Both immediate and long-term effects:

Immediate effects: The immediate effect is that the public will be assured that appraisal licensees and interns continue to meet licensing requirements.

Long-term effects: The long-term effect is that the public will be assured that the appraisal licensees continue to meet licensing requirements.

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

The Division will experience some additional expenses that will be addressed during the next biennial budget.

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.

Appraisers do fall under federal guidelines and although the adopted regulations do not overlap federal law, the proposed regulations are necessary in order to be in compliance with those law's.

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

None.

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

There a no new fees or increases in existing fees.