

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY
NRS 233B.066
LCB FILE R060-20**

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapter 645.

1. A clear and concise explanation of the need for the adopted regulation.

In 2019, the Nevada Legislature passed Senate Bill 230 which made changes to conditions under which a licensee may advertise under a nickname, changed the number of hours for pre-licensing education and established a minimum total number of hours required in designated areas of education, required the Real Estate Commission to adopt regulations which require a minimum of 36 hours of continuing education and provide for an exemption from subject matters requirements for a person who is 65 years of age or older and who has been licensed in good standing as a real estate licensee in this State for 30 years or more. The proposed regulation transfers certain duties of the Real Estate Commission to the Real Estate Division

2. 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.

The Real Estate Commission (Commission) posted the notice of proposed changes to NAC 645 on the Division's website and sent proposed changes to licensees, organizations, associations, interested parties and businesses related to this profession on October 11, 2019. Along with the proposed changes to NAC 645, a survey was posted for small businesses to complete regarding how the proposed changes will affect their business.

The Division received a response regarding the requirement of live continuing education courses and how all courses currently offered are related to residential real estate and not commercial real estate.

The Division received comments disagreeing with the increase in the continuing education requirement pursuant to changes to NRS 645.575 due to Senate Bill 230 from the 2019 Legislative Session stating that the increase in education only places a burden on good licensees since no amount of education will stop wrongdoers.

The Division also received recommendations relating to the increase in the continuing education requirements which included the designated areas of education for the additional 12 hours.

The Division also received comments stating that the increase in continuing education puts a financial burden on licensees who are required to take additional classes.

The Division received recommendations relating to the increase in pre-licensing education requirements pursuant to changes to NRS 645.343 due to Senate Bill 230 from the 2019 Legislative Session which included designated areas of education for the additional 15 hours.

The Division received comments regarding the use of nicknames and the requirement of

license numbers on advertisement pursuant to changes to NRS 645.315 due to Senate Bill 230 from the 2019 Legislative Session. Comments requested that numbers and spaces not be allowed as they seem unprofessional. Comments also recommended not requiring licensees to include the zeros before the license number or any letters after the license number.

The Commission conducted a regulation workshop on February 7, 2020. The Commission received a comment regarding the restrictive nature of NAC 645.185 and how it prevents out-of-state brokers from representing any seller or Nevada buyer of Nevada real estate.

The Commission received comments in support of the increase in education requirements stating that the increase of education can help promote professionalism. There were comments in opposition to the new regulation that exempts licensees 65 years of age and over from certain continuing education requirements.

Also, there were comments from members of the public that were not in favor of licensees' use of nicknames in advertising.

The Commission received comments from many members of the public regarding the additional 30 hours added to pre-licensing education. These comments focused on the areas of education that should be emphasized. There were also comments regarding the increase in the number of hours required for continuing education and the areas of education that should be emphasized.

Lastly, members of the public commented on the requirement for licensees' license numbers to be located on advertisements concerning how the license number should appear and items considered "advertisement".

The Commission conducted an adoption hearing on December 7, 2020. The Commission did not receive any public comment during the adoption hearing and the Commission voted to adopt LCB File No. R060-20.

Interested persons may obtain a copy of the small business impact statement or submit statements of impact to:

Teralyn Lewis
Administration Section Manager
Nevada Real Estate Division
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV 89102
Teralyn.Lewis@red.nv.gov
702-486-4036

**3. The number of persons who:
(a) Attended each hearing:**

February 7, 2020: 82

December 7, 2020: 2 people were in attendance to my knowledge. Since this was a virtual meeting and Section 1 of the Declaration of Emergency Directive 006 suspended a physical location for meetings of public bodies, there were no sign in sheets.

(b) Testified at each hearing:

February 7, 2020: 20
December 7, 2020: 0

(c) Submitted to the agency written comments: 17

- 4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3, as provided to the agency, is attached as Exhibit A.**

Please see attached.

- 5. 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.**

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

The proposed regulation was adopted on December 7, 2020, and included changes suggested by written public comment received, public comment at the workshop and public comment at the adoption hearing conducted.

7. The estimated economic effect of the adopted regulation on the businesses 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.

Adverse effects:

Increases in the education requirements for pre-licensing and continuing education is proposed in the regulation change. This increase will necessitate schools, educational institutions, and sponsors to offer additional classes to cover these mandatory hours. This may require developing new curriculum, revising current offerings, and increasing capacity.

Education provider stated that writing and supplying new content will be expensive and time consuming.

The costs and time to licensees to take more continuing education is a burden.

Beneficial effects:

Allowing licensees to use nicknames in advertisements allows licensees more flexibility. Requiring license numbers on advertisement increases public protection.

The increase in continuing education will make for more knowledgeable licensees and provides additional public protection. Adding "Risk Reduction" as a designated area of continuing education and increasing the number of hours required to renew a property manager permit will make for more knowledgeable and professional licensees.

Allowing licensees who are 65 years of age or older who has been licensed for 30 years or longer in good standing to take at least 12 hours of continuing education is beneficial to licensees who have experience and longevity in the industry.

(b) Both immediate and long-term effects.

Immediate effects:

A school that provides education for real estate licensees commented that unless the regulation gives time for education sponsors to start teaching the correct number of hours by setting a future date for the regulation to take effect, licensees who are currently or previously took courses but have not renewed should be provided with additional education at no charge to the licensee.

The Commission transferring certain duties to the Division, acting on behalf of the Commission, would allow for more effective and efficient processes in the Education section.

Long-term effects:

A Nevada licensed attorney and real estate licensee suggested that continuing education for Nevada attorneys in good standing be permitted a waiver of any additional continuing education.

Public

(a) Both adverse and beneficial effects.

Adverse effects:

The increase in number of hours for pre-licensing education may reduce the number of applicants for a real estate salesperson license reducing the number of licensees to handle real estate transactions in Nevada.

Schools that offer real estate education and other courses not related to real estate may limited their focus on those courses not related to real estate to focus on content due to the increase in real estate pre-licensing and continuing education courses.

Beneficial effects:

The increase in pre-licensing and continuing education will make for more educated and knowledgeable real estate licensee who are better equipped to serve the public.

The requirement for licensees to have their license number on advertisement will assist in public protection. The requirement will ensure that the public can properly identify real estate licensees and report unlicensed activity which will assist in the Division's enforcement of statute and regulation.

(b) Both immediate and long-term effects.

Immediate effects:

Immediate effect is public protection and knowledgeable licensees in real estate transactions.

Long-term effects:

Immediate effect is public protection and knowledgeable licensees in real estate transactions.

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

No additional estimated costs to the agency for enforcement of the proposed regulation.

9. 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 are no other state or government agency regulations that the proposed regulation duplicates.

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

There are no federal regulations that apply.

11. 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.

No new fee or increase to existing fee.