

**PROPOSED REGULATION OF THE
REAL ESTATE DIVISION OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY**

LCB File No. R214-97

January 29, 1998

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

AUTHORITY: §§2-66, NRS 645D.120.

Section 1. Chapter 645D of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 64, inclusive, of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Administrator” means the real estate administrator.*

Sec. 4. *“Division” means the real estate division of the department of business and industry.*

Sec. 5. *“Certificate” means a certificate issued to an inspector pursuant to chapter 645D of NRS.*

Sec. 6. *“Certified inspector” means an inspector to whom a certificate has been issued pursuant to chapter 645D of NRS, including, without limitation:*

- 1. A certified intern inspector;*
- 2. A certified residential inspector; and*

3. *A certified general inspector.*

Sec. 7. *“Readily accessible” means that the item being inspected is accessible without the inspector having to:*

1. *Move furniture or stored items;*
2. *Damage paint finishes;*
3. *Fit into an area or opening less than 18 inches by 24 inches;*
4. *Use a ladder more than 47 inches tall to reach the item; or*
5. *Use tools to open the item.*

Sec. 8. *Any person may, by petition, request the administrator to adopt, file, amend or repeal a regulation. The petition must clearly identify, in writing, the change requested of the regulation and must contain all relevant data, views and arguments regarding the change.*

Sec. 9. *If any provision of this chapter or the application thereof to any person, thing or circumstance is held invalid, such invalidity does not affect the provisions or application of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.*

Sec. 10. 1. *The application for a certificate as an inspector provided by the division requires the following information:*

- (a) *Two completed fingerprint cards;*
- (b) *One recent photograph of the applicant;*
- (c) *The social security number of the applicant;*
- (d) *His place of business; and*
- (e) *Such other pertinent information as the division may require.*

2. *An application for a certificate is valid for 1 year after the date it is filed with the division. The division may require an applicant to complete a supplemental form provided by the division to ensure that all the information required by the division is current.*

Sec. 11. 1. *The fee for application for a certificate is nonrefundable.*

2. *If the division rejects an application for the issuance or renewal of a certificate, it will refund the fee submitted for the issuance or renewal of the certificate.*

Sec. 12. *Each application for a certificate as an inspector must be completed personally by the applicant. Employees of the division shall not help a person prepare his application.*

Sec. 13. *The administrator shall not:*

1. *Accept an application for a certificate as an inspector from a person under 17 years of age; or*

2. *Issue a certificate to a person under 18 years of age.*

Sec. 14. *An inspector may obtain from the division a certificate as a:*

1. *Certified intern inspector;*

2. *Certified residential inspector; or*

3. *Certified general inspector.*

Sec. 15. 1. *Before a certified intern inspector may obtain from the division a certificate as a residential inspector or a general inspector, the certified intern inspector must:*

(a) *Perform 40 inspections for a fee under the direct on-site supervision of a certified residential inspector or a certified general inspector; and*

(b) *Maintain a written log of the next 160 inspections he performs for a fee.*

2. *A certified intern inspector shall not perform his first 40 inspections for a fee without the written authorization, on a form provided by the division, of the certified residential inspector or certified general inspector supervising his inspection.*

3. *A certified intern inspector may perform inspections of residential structures that do not exceed four units.*

4. *A certified intern inspector shall:*

(a) Maintain errors and omissions and liability insurance in his name or his company name; and

(b) Set forth prominently in all advertising that he is a certified intern inspector.

Sec. 16. *A certified residential inspector may:*

1. *Perform an inspection of a structure consisting of not more than four residential units.*

2. *Assist in the preparation and communication of an inspection of a structure that consists of more than four residential units under the direct, on-site supervision of a certified general inspector.*

Sec. 17. *A certified general inspector may perform an inspection of any structure.*

Sec. 18. 1. *An applicant for a certificate as:*

(a) A certified intern inspector must furnish proof satisfactory to the division that he has successfully completed:

(1) Not less than 40 hours of academic instruction in subjects related to structural inspections in courses approved by the division; and

(2) An examination approved by the division.

(b) A certified residential inspector must furnish proof satisfactory to the division that he has successfully completed:

(1) Not less than 40 hours of academic instruction in subjects related to structural inspections in courses approved by the division;

(2) An examination approved by the division; and

(3) At least 200 inspections for a fee.

(c) A certified general inspector must furnish proof satisfactory to the division that he has successfully completed:

(1) Not less than 60 hours of academic instruction in subjects related to structural inspections in courses approved by the division;

(2) An examination approved by the division; and

(3) At least 400 inspections for a fee of which not less than 50 of the inspections must relate to commercial structures or structures consisting of more than four residential units.

2. Experience as an inspector must demonstrate ability of the applicant to produce a credible inspection report according to the standards and requirements set forth in sections 43 to 52, inclusive, of this regulation.

3. An applicant must submit to the division a log of the inspections he performed for a fee on a form supplied by the division.

4. As used in this section, an "hour of academic instruction" means at least 50 minutes of actual time spent receiving instruction.

Sec. 19. *Each certified inspector who does not meet both the education and examination requirements of section 18 of this regulation shall surrender his certificate to the division.*

Sec. 20. *The division will issue certificates, from the effective date of this regulation until June 30, 1998, based solely upon the experience required for each certificate.*

Sec. 21. 1. *The examination must test the applicant on his knowledge and understanding of:*

(a) *The subjects applicable to the type of certificate for which he is applying;*

(b) *Chapter 645D of NRS and any regulations adopted thereto; and*

(c) *Sections 43 to 52, inclusive, of this regulation.*

2. *Separate examinations will be given for certification as an intern inspector, residential inspector and general inspector.*

3. *A scaled score of 75 must be achieved to pass each test.*

4. *Each of the examinations will consist of questions covering the subjects set forth in subsection 1.*

Sec. 22. 1. *An applicant for a certificate as an inspector may not take the written examination for certification until the division authorizes him in writing to appear for the examination.*

2. *The applicant must take the examination prescribed by the division at the time and place set forth in the written authorization sent to him.*

Sec. 23. 1. *The examination for a certificate as an inspector will be at least 4 hours, but not more than 8 hours.*

2. *The times may be different for the examination for each type of certificate.*

3. *The division shall establish the time for each examination and notify the applicants before the closing day for applications.*

4. *Test books and answer sheets will not be returned to the applicants.*

5. *Examinations must not be made public.*

Sec. 24. *1. If an applicant postpones his examination and notifies the division at least 30 days before the date of the examination, the fee for the examination may be applied to a subsequent examination which the applicant wishes to take.*

2. An examination may be postponed only once.

Sec. 25. *1. An applicant for a certificate as an inspector who fails an examination may apply for re-examination on a form furnished by the division.*

2. If an applicant, after filing an application for examination, withdraws and requests the division to postpone action on the application for reasons acceptable to the division, the applicant may apply for the next examination.

3. The division will only accept results of an examination taken during the year immediately preceding the date of the application for a certificate.

Sec. 26. *1. An application for a certificate as an inspector will be denied or the results of an examination will be invalidated, or both, if the applicant:*

(a) Uses or possesses any unfair methods or notes during the examination;

(b) Gives or receives aid of any kind during the examination; or

(c) Fails to obey instructions during the examination.

2. Silent, cordless, electronic calculators may be used by the applicants during the examination.

Sec. 27. *1. The division will grant a certificate to each applicant who complies with all provisions of this chapter and chapter 645D of NRS governing certification as an intern inspector, residential inspector or general inspector.*

2. Upon receiving the certificate, the certified inspector may conduct the business of a certified intern inspector, certified residential inspector or certified general inspector, as applicable, in this state.

Sec. 28. A certificate issued pursuant to this chapter shall not give authority to do or perform any act specified in this chapter to any person other than the person to whom the certificate is issued, or from any place of business other than that specified therein.

Sec. 29. 1. The division shall issue a certificate to each eligible person in such form and size as is prescribed by the division. Each certificate must:

(a) Set forth the name, address and type of certificate;

(b) In the case of a registered intern inspector, set forth the name of the certified residential inspector or certified general inspector with whom he will be associated; and

(c) Have imprinted thereon the seal of the division.

2. A certificate is valid for 2 years after the first day of the first calendar month immediately following the date it is issued.

3. If an inspector fails to apply for the renewal of his certificate and pay the fee for renewal before the certificate expires, and applies for renewal:

(a) Not later than 1 year after the date of expiration, he must pay a fee equal to 150 percent of the amount otherwise required for renewal.

(b) Later than 1 year after the date of expiration, he must apply in the same manner as for an original certificate.

Sec. 30. Each certified inspector shall display his certificate conspicuously in his place of business.

Sec. 31. *If the certified inspector chooses to establish an office in a private home or in conjunction with another business, his business location must comply with local zoning requirements.*

Sec. 32. *1. Each certified residential inspector and certified general inspector who is supervising a certified intern inspector shall file with the division, on a form provided by the division, a statement which sets forth the amount of experience gained by the certified intern inspector while the certified intern inspector was being supervised.*

2. The completed form must set forth:

(a) The number and location of the inspections performed for a fee by the certified intern inspector; and

(b) Any other information concerning the activities of the certified intern inspector which should be considered as contributing towards his experience.

Sec. 33. *1. A holder of a certificate may request a change of employer, name or status by completing and submitting the appropriate form supplied by the division and paying the required fees.*

2. If a holder of a certificate requests such a change and pays the required fee, the receipt issued by the division constitutes a temporary working permit pending receipt of the requested certificate.

Sec. 34. *1. A holder of a certificate may be placed on inactive status by applying to the division on the appropriate form. The holder of a certificate is not entitled to a refund of any part of the fees paid for the unexpired term of his certificate.*

2. A holder of a certificate who is on inactive status must apply for the renewal of his certificate on or before each anniversary of his certificate.

Sec. 35. *1. A holder of a certificate who is in good standing with the division and who is on inactive status may apply to the division to be reinstated to active status. The application must:*

(a) Be on a form supplied by the division;

(b) Be accompanied by the required fees;

(c) Be accompanied by a current, completed fingerprint card if the holder of the certificate has been on inactive status for at least 1 year; and

(d) Contain evidence that the requirements for continuing education have been fulfilled.

2. A holder of a certificate who is placed on inactive status for his failure to comply with this chapter remains inactive until an application for reinstatement has been approved by the division.

Sec. 36. *If the certificate of a certified residential inspector or a certified general inspector is canceled, suspended or revoked, he shall deliver his certificate to the division with the certificates of any certified intern inspectors he is supervising. The certified intern inspectors may, upon proper application and payment of the required fees, transfer to the association of another certified residential inspector or certified general inspector. No refund will be given when a certificate is canceled, suspended or revoked.*

Sec. 37. *If a certificate must be surrendered and it is not, the holder of the certificate shall file an affidavit with the division showing that the certificate has been lost, destroyed or stolen. The affidavit must contain the holder's promise to surrender the certificate if it is recovered.*

Sec. 38. *If the division determines that an inspector has discontinued business at the address at which he holds a certificate or that a certified intern inspector is no longer associated*

with a certified residential inspector or certified general inspector, and the facts have not been reported to the division, one or both certificates may be canceled by the division.

Sec. 39. *A certificate may be canceled, suspended or revoked, or the holder of the certificate fined, if any check given to the division is not honored by the financial institution upon which it is drawn.*

Sec. 40. *1. The division will not accept an applicant's completion of a course of a kind which is designed to prepare students for examination, commonly known as a "cram course," to fulfill the educational requirements for an original certificate.*

2. Courses designed to develop or improve clerical, office or business skills that are not related to the inspection process, including, without limitation, typing, shorthand, the operation of business machines, the use of computers, improvement of memory, writing letter or business courses in advertising, marketing or psychology, will not be accepted to fulfill units of education which are required for certification.

Sec. 41. *1. To renew an active certificate, 20 hours of approved education in the 2 years before the date of renewal is required.*

2. To reinstate a certificate expired more than 60 days but less than 1 year, 30 hours of approved education is required.

Sec. 42. *1. A certified inspector shall conduct each inspection in accordance with sections 43 to 52, inclusive, of this regulation.*

2. A certified inspector may exceed the requirements set forth in sections 43 to 52, inclusive, of this regulation when conducting an inspection.

Sec. 43. *A certified inspector shall:*

1. *Conduct himself at all times in a manner beneficial to the industry, his client and the public.*
2. *Perform his duties with the highest standard of integrity, professionalism and fidelity to the public and the client with fairness and impartiality to all.*
3. *Avoid association with any person or enterprise of questionable character or any endeavor which creates an apparent conflict of interest.*
4. *Protect and promote the interests of his client to the best of his ability and knowledge, recognizing that his client has placed his trust and confidence in the inspection.*
5. *Maintain and increase his level of knowledge regarding new developments in the field of inspections.*
6. *Conduct his business in a manner which will assure his client of the inspector's independence from outside influence and interest which would compromise his ability to render a fair and impartial inspection.*
7. *Not disclose any information concerning the results of the inspection without the approval of the client or his representative for whom the inspection was performed.*
8. *Not accept compensation, financial or otherwise, from more than one interested party for the same service on the same property without the consent of all interested parties.*
9. *Not accept or offer commissions or allowances, directly or indirectly, from other parties dealing with the client in connection with work for which the inspector is responsible.*
10. *Promptly disclose in writing to the client any interest in any other business which may affect the client, the quality or the results of the inspection. The inspector shall not use the inspection process to obtain work for compensation at the inspection site or in another field relative to the inspection.*

11. *Maintain and improve the professionalism, integrity and reputation of the inspection industry.*
12. *Report all violations of this chapter and chapter 645D of NRS to the division.*
13. *Not express the estimated market value of an inspected property while conducting an inspection.*
14. *Not use the term or designation “state certified inspector” unless he is in fact certified.*
15. *Not engage in activity calculated to tarnish the reputation, work standards or ethics of another certified inspector.*

Sec. 44. *1. A certified inspector shall inspect the plumbing system of the structure being inspected, including, without limitation, the following components of the plumbing system:*

- (a) The hot and cold water systems;*
 - (b) The waste and drain systems;*
 - (c) The vent systems; and*
 - (d) The readily accessible gas lines.*
- 2. An inspection of the plumbing system must include, without limitation:*
- (a) An identification and description of the type of water lines and a determination of whether the system has been activated;*
 - (b) The operation of all plumbing fixtures and a visual inspection of all readily accessible components of the plumbing system;*
 - (c) A determination of the functional flow of the waste, drain, water and vent lines; and*
 - (d) An identification and description of the type of domestic water heater, energy source and any safety devices attached thereto.*

Sec. 45. 1. *A certified inspector shall inspect the electrical systems of the structure being inspected, including, without limitation, the following components of the electrical system:*

(a) The switches, receptacles and fixtures;

(b) The main panel box and all sub panel boxes, including, without limitation, the feeders;

and

(c) The readily accessible wiring and junction boxes.

2. *An inspection of the electrical system must include, without limitation:*

(a) An identification and description of the amperage and type of overcurrent protection devices, including, without limitation, the fuses and breakers;

(b) A description of the condition of the electrical system, including, without limitation, the grounding cables;

(c) A verification of the compatibility and condition of the main and branch circuit overcurrent protection devices to the size of the conductors served by them that are visible without the removal of safety covers;

(d) The testing of a representative number of readily accessible switches, receptacles and light fixtures in each room or area of the structure;

(e) A test and verification of the grounding and polarity of all readily accessible receptacles, including, without limitation, the ground fault circuit interrupter devices; and

(f) An evaluation of the system and all readily accessible wiring.

Sec. 46. 1. *A certified inspector shall inspect the heating system of the structure being inspected, including, without limitation, the following components of a heating system:*

(a) The heating equipment and heating distribution system;

(b) The operating controls; and

(c) The auxiliary heating units.

2. An inspection of the heating system must include, without limitation:

(a) An identification and description of the type of system, distribution, energy source and number of units or systems in the structure;

(b) The opening of all readily accessible access panels or covers provided by the manufacturer so that the enclosed components can be evaluated; and

(c) An evaluation of the readily accessible controls and components.

Sec. 47. *1. A certified inspector shall inspect the air conditioning system of the structure being inspected, including, without limitation, the following components of the air conditioning system:*

(a) The cooling equipment and cooling distribution systems; and

(b) The operating controls.

2. An inspection of the air conditioning system must include, without limitation:

(a) An identification and description of the type of system, distribution, energy source and number of units or systems in the structure;

(b) The opening of all readily accessible access panels or covers provided by the manufacturer so that the enclosed components can be evaluated; and

(c) An evaluation of the readily accessible controls and components.

Sec. 48. *1. A certified inspector shall inspect the interior components of the structure being inspected, including, without limitation, the walls, ceilings, floors, doors, stairways and balconies.*

2. An inspection of the interior components must include, without limitation:

(a) An inspection and description of the condition of the walls, floors and ceilings, including, without limitation, any evidence of moisture penetration;

(b) An inspection and description of the condition of the steps, stairways, balconies and railings; and

(c) The operation of a representative number of readily accessible doors and windows to determine whether they are functioning properly.

Sec. 49. *1. A certified inspector shall inspect the exterior components of a structure being inspected, including, without limitation:*

(a) The exterior wall components;

(b) The exposed molding and trim;

(c) The windows and exterior doors; and

(d) The fireplaces, flues and chimneys.

2. An inspection of exterior components must include, without limitation:

(a) An identification of the type of structure and covering of the exterior component, including, without limitation, whether it is block, siding, shingle, stucco, wood, asbestos, hardboard or masonry;

(b) An evaluation of the wall covering;

(c) An evaluation of the condition of a representative number of windows and doors including, without limitation, the associated trim and hardware; and

(d) An inspection and description of the condition of readily accessible porches, decks, steps, balconies and carports attached to the structure.

Sec. 50. *1. A certified inspector shall inspect the roofing components of the structure being inspected, including, without limitation:*

- (a) The roof covering;*
- (b) The flashing;*
- (c) The insulation;*
- (d) The ventilation;*
- (e) The soffits and fascia; and*
- (f) The skylights, roof accessories and penetrations.*

2. The inspection of roofing components must include, without limitation:

- (a) An identification and description of the materials of the visible roof structure, roof flashing, skylights, penetrations, ventilation devices and roof drainage;*
- (b) An evaluation of the condition of the readily accessible attic areas;*
- (c) A determination of the type, condition and approximate thickness of the attic insulation;*
and
- (d) A description of the method of observation used to inspect the roof.*

Sec. 51. *1. A certified inspector shall inspect the structural system of the structure being inspected, including, without limitation, the foundation, floors, walls, columns, ceilings and roof.*

2. An inspection of the structural system must include, without limitation:

- (a) An identification and describe of the type of foundation, floor structure, wall structure, columns, ceiling structure, roof structure and other attached structural components;*
- (b) A probe of all structural components in which deterioration is suspected, unless the probe will damage any finished surface;*
- (c) Entry under the floor crawl spaces and attic spaces, except when access is obstructed or not readily accessible, entry could damage the property or dangerous or adverse conditions are obvious or suspected;*

(d) A report of all signs of water penetration or abnormal or harmful condensation on building components; and

(e) A description of any visible structural damage to the framing members and foundation system.

Sec. 52. *1. A certified inspector shall inspect the site of the structure while conducting an inspection of the structure, including, without limitation:*

(a) The land grade and water drainage;

(b) The retaining walls affecting the structure;

(c) The driveways and walkways; and

(d) The porches and patios.

2. An inspection of the site must include, without limitation:

(a) An identification and evaluation of the materials and conditions of the driveways, walkways, grade steps, patios and other items contiguous with the inspected structure;

(b) An observation of the drainage and grading for conditions which adversely affect the structure; and

(c) An observation of the above grade vegetation which affects the exterior of the structure.

Sec. 53. *A certified residential inspector or certified general inspector shall:*

1. Teach the certified intern inspectors associated with or employed by him the fundamentals of inspections and the ethics and standards of the profession; and

2. Supervise the inspections of such certified intern inspectors.

Sec. 54. *In determining whether a certified inspector is guilty of unprofessional conduct or professional incompetence, the division shall consider, among other things, whether the inspector has:*

- 1. Failed to perform an inspection in accordance with sections 43 to 52, inclusive, of this regulation;*
- 2. Done his utmost to protect the public against fraud, misrepresentation or unethical practices relative to his profession;*
- 3. Ascertained all pertinent facts concerning any property for which he prepares an inspection report;*
- 4. Made an inspection and prepared an inspection report of any property outside of his field of experience or competence without the assistance of a qualified authority;*
- 5. Adequately documented any required disclosures of his interest in any property with which he is dealing;*
- 6. Kept informed of current statutes and regulations governing inspections of structures and related fields in which he provides inspection services; or*
- 7. Acquired knowledge of all material facts that are reasonably ascertainable and are of customary or express concern and has conveyed that knowledge to his client.*

Sec. 55. *1. In any advertisement through which a certified inspector offers to perform services for which a certificate is required pursuant to this chapter, he shall disclose the name under which he does business and the type of certificate he holds.*

2. A certified intern inspector may not advertise solely under his own name when acting in the capacity of a certified intern inspector. All such advertising must be under the direct

supervision of and in the name of the certified residential inspector or certified general inspector with whom he is associated or employed.

Sec. 56. *1. A certified inspector shall keep a copy of the inspection report, work file and any other pertinent information relating to each inspection he conducts for at least 3 years after the completion of the inspection. Only one set of files need be maintained, but the information must be available to all participating inspectors.*

2. If a citizen's complaint or a formal complaint is filed, the division may require a certified inspector to maintain all records relating to the complaint until the issue is resolved.

3. All inspections conducted by a certified inspector must be filed in an orderly fashion, including, without limitation, numerically, chronologically by date or alphabetically, to permit an audit by a representative of the division.

4. The inspection report, work file and other pertinent information relating to an inspection must be open to inspection and audit by the division upon its request during its usual business hours, as well as other hours during which the certified inspector regularly conducts his business.

5. The certified inspector shall give written notice to the division of the exact location of his records and may not remove them until he has delivered a notice which informs the division of the new location.

Sec. 57. *1. The division may use a form of its design to conduct any office examination and require the certified inspector or his office manager to sign such a form.*

2. An inspection must include, without limitation:

(a) The address of the office;

(b) The system used in filing records;

(c) Advertising; and

(d) The availability of current statutes and regulations at the place of business.

Sec. 58. *A certified inspector shall, upon demand, provide the division with the documents and the permission necessary to complete fully an office examination and audit of his records.*

Sec. 59. *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 645D of NRS or the regulations adopted pursuant thereto and need not be limited to the matter in the complaint.

3. A certified inspector shall disclose all facts and documents pertinent to an investigation to members of the division's staff conducting the investigation.

4. If the division determines that sufficient evidence exists to establish a violation, it will prepare and file a formal complaint. If insufficient evidence exists, the division may dismiss the matter without prejudice at any time.

Sec. 60. *1. The division may grant any certified inspector not more than 10 calendar days to correct any deficiency involving advertising, the location of his business or office operation. A notice of the deficiency and a request to correct a deficiency must be mailed to the certified inspector. Failure to comply with the request may be grounds for the suspension or revocation of a certificate. The notice must be sent on a form provided by the division and set forth the deficiencies or violations, the recommended action and the date by which the deficiencies must be corrected.*

2. *The division may grant an extension for a definite time to correct the deficiency whenever the correction may require additional time.*

Sec. 61. 1. *Upon the filing of a formal complaint by the division, the administrator shall set the matter for a hearing within 90 days before a hearing officer appointed by the administrator from the staff of the department of business and industry. The hearing officer must be a person who has not investigated or prosecuted the complaint.*

2. *The time of the hearing may be continued by the division or upon motion of the respondent with the approval of the administrator or his designated hearing officer.*

3. *The division will give the respondent at least 20 days' prior notice in writing of the date, time and place of the hearing, which notice will contain a copy of the complaint, including, without limitation:*

(a) *An exact statement of the charges; and*

(b) *Copies of all reports, affidavits and depositions in possession of the division which may be used in evidence against the respondent.*

4. *Notice of the hearing may be served by personal delivery to the respondent or by certified mail to his last known business or home address. If the respondent is a certified intern inspector, the division will also notify by mail the certified residential inspector or certified general inspector employing him.*

5. *The respondent shall file an answer within 30 days after service of the notice. The answer must contain an admission or denial of each of the averments contained in the complaint and any defenses upon which the respondent will rely.*

6. *The answer may be served by personal delivery to the division at its office in Las Vegas or Carson City or by mail to the principal office of the division.*

7. *Before the hearing, the division may request, and the respondent may produce upon request, documents and other materials which are under his control. The division may take depositions and obtain materials by subpoena.*

8. *All witnesses at the hearing must be sworn by the administrator or his designated hearing officer and a tape recording of the proceedings must be made and included as a part of the record in the case.*

Sec. 62. *1. The administrator or the hearing officer shall render a decision within 30 days after the date of the hearing and immediately give notice in writing of the decision to the respondent.*

2. If the decision is adverse to the respondent, the administrator or hearing officer shall also state in the notice of decision the date upon which the decision becomes effective, which will not be less than 30 days after the date of the notice.

Sec. 63. *The division will schedule an informal meeting rather than a formal hearing for matters which may be settled or otherwise do not require a formal hearing, in accordance with the following procedures:*

1. The division will initiate the procedure for an informal meeting by giving notice which must include a concise statement of all the facts necessary to understand the possible violation and a brief statement of the relief desired by the division, if appropriate;

2. Informal meetings will be held by the administrator or his designee at a time and place prescribed by the administrator;

3. The administrator, his designee or any other party may require a tape recording to be made of the informal meeting;

4. *The initiation of an informal meeting by the division is without prejudice to its right to initiate a complaint and formal proceedings covering the same subject matter; and*

5. *All matters discussed and all material presented in an informal meeting may be used in a subsequent formal hearing, and the division will inform all parties of that fact at the beginning of the informal meeting.*

Sec. 64. 1. *Any person aggrieved by an action of the division except the revocation or suspension of a license pursuant to this chapter, may petition the division for reconsideration of its action within 15 days after its order.*

2. *The petition must be in writing and state in detail the grounds on which the petitioner relies.*

3. *If the petitioner desires to present oral argument with his petition, oral argument must be requested in writing at the time the petition is submitted to the administrator. If oral argument is requested, the division will set a time for a hearing to occur no later than 20 days after receipt of the petition. The division will give at least 15 days' notice of the hearing.*

4. *No later than 15 days after receiving the petition or hearing of oral argument the division will render a decision in writing to the petitioner.*

Sec. 65. *Section 20 of this regulation expires by limitation on June 30, 1998.*

Sec. 66. 1. *This section, sections 1 to 17, inclusive, and 20 to 65, inclusive, of this regulation become effective upon filing with the secretary of state.*

2. *Sections 18 and 19 of this regulation become effective July 1, 1998.*