

LCB File No. R058-98

PROPOSED REGULATIONS

REAL ESTATE DIVISION DEPARTMENT OF BUSINESS & INDUSTRY

(A public hearing is scheduled for May 11, 1998)

AUTHORITY: Act of July 17, 1997, ch. 631, § 10, 1997 Nev. Stat. 3113; NRS 116.31139(2) & 116.31155

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Definitions.

1. "Administrator" means the real estate administrator.
2. "Association" has the same meaning as prescribed in NRS 116.110315.
3. "Certificate" means a certificate issued to a common-interest community manager by the Division pursuant to NRS 116.31139.
4. "Commission" means the Nevada Real Estate Commission.
5. "Common-interest community" has the same meaning as prescribed in NRS 116.110323.
6. "Division" means the Real Estate Division of the Department of Business and Industry for the State of Nevada.
7. "Certificate holder" means any person who has been issued a certificate by the Division to act as an association/common-interest community manager.
6. "Management" means the physical, administrative or financial maintenance and management of an association or common-interest community, or the supervision of those activities for a fee, commission, or other compensation or valuable consideration.

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Application procedure and information.

1. The application for a certificate as an association/common-interest community manager requires the following information:
 - a. Two completed fingerprint cards plus a check in the amount of the current cost to cover the costs of the Division's fingerprint investigation fee.
 - b. One recent 2 x 2 photograph of the applicant.

- c. *The social security number of the applicant.*
- d. *Evidence that the applicant possesses fundamental knowledge of common-interest community or association management and a statement of the applicant's employment history for the past 10 years including, but not limited to, letters of recommendation, and affidavits of employment from community-interest communities.*
- e. *Evidence of the applicant's honesty, trustworthiness and integrity, which is satisfactory to the Division.*
- f. *Certification from an accredited educational institution or an institution approved by the Division that the applicant has completed a Division approved course for association/common-interest community management, and which has received approval by the Commission of Post Secondary Education.*
- g. *A certificate indicating applicant has taken and successfully passed the Division approved Certification exam.*
- h. *Such other pertinent information as the Division may require including, but not limited to whether the applicant has been convicted of, or entered a plea of guilty, guilty but mentally ill, or nolo contendere to forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, possessing for the purpose of sale any controlled substance or any crime involving moral turpitude, in any court of competent jurisdiction in the United States or elsewhere.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Application fee; Association/Common-Interest Community Manager Certificate

- 1. *The Division's fee for an application for an association/common-interest community manager certificate is non-refundable, unless the Division rejects an application for the issuance or renewal of a Certificate. The application filing fee is \$75.00.*
- 2. *The Administrator shall not accept an application from a person under the age of 17 and shall not issue a certificate to a person under 18 years of age.*
- 3. *The association/common-interest community manager certificate shall be renewed by the certificate holder every two years.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Experience: Requirements.

- 1. *Before the Division will issue an association/common-interest community manager certificate, the applicant must demonstrate to the satisfaction of the Administrator that the applicant has a fundamental knowledge of common-interest community and association management and has obtained a passing grade (75%) on the Certification exam; and*

- a. *The applicant must provide evidence satisfactory to the Division that the applicant has spent at a minimum, the immediate twelve (12) months in direct common-interest community or association management; or*
- b. *The applicant must be able to demonstrate to the Division that for a minimum period of two (2) of the last four (4) years of work history, the applicant has engaged in responsible common-interest community or association management experience and provides letters of reference to that end or another alternative acceptable to the Administrator; or*
- c. *The applicant provides satisfactory evidence to the Division of alternative qualifications of employment or education experience which would entitle the applicant to a certificate.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Educational Requirements.

Before a person may obtain from the Division an association/common-interest community manager certificate, the person must:

- 1. *Successfully complete at least 30 hours of an organized community association management course approved by the Division including, but not limited to, coverage in the following areas:*
 - a. *maintenance of real property;*
 - b. *accounting including association budgets, reserves and the like;*
 - c. *public administration;*
 - d. *facilities' management;*
 - e. *human resources;*
 - f. *project documents: understanding and enforcement;*
 - g. *risk control and insurance; and*
 - h. *at least fourteen (14) hours in relevant Nevada laws including, but not limited to, common-interest ownership, landlord and tenant law, fair housing, real estate disclosure law, construction defects law, the American with Disabilities Act, Nevada SIIS law, corporation law and the Nevada Alternative Dispute Resolution process (NRS 38.300 et. seq.), and health and safety laws.*
- 2. *To renew a certificate, an association/common-interest community manager must successfully complete prior to the renewal of the biennial certificate, continuing education courses approved by the Division, consisting of at least six (6) hours in Division approved courses of which at least 3 hours must be in Nevada law.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Education Courses; Requirements.

1. *An application for common-interest or association management course approval shall be submitted to the Division on a form supplied by the Division and include a \$100.00 processing fee.*
2. *All pre-certification courses and continuing education courses shall be approved by the Nevada Real Estate Commission.*
3. *All educational courses shall be reapproved annually by the commission and must include updated course outlines and a renewal fee of \$50.00. The course sponsor must apply for reapproval on a form provided by the Division and describe any changes in the course. An application for reapproval must be filed at least two weeks before the previous approval expires and if not done, the sponsor must apply for an original approval.*
4. *Any or all educational courses may be audited by a representative of the Division.*
5. *Student evaluations are required and must be maintained by the course sponsor for a period of three (3) years for inspection by the Division.*
6. *Course approval may be withdrawn if student evaluations or a Division audit substantiates inappropriate or poor quality material, or violation of any of the provisions on continuing education in this chapter, or poor instruction. A hearing may be scheduled by the course sponsor before the real Estate Commission pursuant to the hearing procedures provided in NAC 645.415.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Education; proof of attendance; maintenance of records.

1. *If a course is approved, the course sponsor shall provide a certified copy of the record of attendance to the licensee upon successful completion of the course. The Division shall accept the certificate as proof of the licensee's attendance for the purpose of renewal or reinstatement of his license.*
2. *The certificate of a sponsor must contain the:*
 - (a) *Name of the sponsor;*
 - (b) *Name of the licensee and license number*
 - (c) *Number of hours of instruction;*
 - (d) *Dates of instruction;*
 - (e) *Title of the course or seminar*
 - (f) *Sponsor's number assigned by the Division and a statement that the course was approved by the real estate commission;*
 - (g) *Signature of the person authorized to sign for the sponsor; and*
 - (h) *Grade received by the student or a statement of whether the student passed the class if an examination was given.*
3. *All educational course records must be maintained by the sponsor for a period of five (5) years.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Qualifications of Instructors.

An instructor for either a pre-licensing or continuing educational course must possess:

1. A good reputation for honesty, integrity, and trustworthiness; and at least one of the following qualifications, unless granted a special exception by the commission:

- (a) A bachelor's degree in the field in which the person is instructing, or a directly related field.*
- (b) A valid license from Nevada or another state which authorizes the holder to teach the subject being offered.*
- (c) Five years of full-time experience, other than secretarial, in the subject taught.*
- (d) Three years of experience teaching a course in real estate or a directly related subject.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Denial of Application.

1. The Division may deny any application for a certificate holder when one or more of the following conditions exist:

- (a) The application is not in the proper form;*
- (b) The proper fees are not enclosed;*
- (c) The accompanying forms are incomplete or otherwise unsatisfactory;*
- (d) The application contains a false statement;*
- (e) Other deficiencies appear in the application;*
- (f) An investigation fails to show affirmatively that the applicant possesses the necessary qualifications;*
- (g) The applicant has willfully acted or attempted to act in violation of Chapter 116, 119, 119A, 645, 645A of NRS or the regulations promulgated thereunder, or has willfully aided and abetted another to act or attempt to act in violation of those chapters or regulations;*
- (h) The applicant has had a license, permit or certificate suspended or revoked in another state; or*
- (i) the check used in paying an examination or license fee is not honored by the financial institution upon which it is drawn.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Application for reexamination.

- 1. An applicant who fails the Division approved certification examination may apply for reexamination, but must pay the required fee for the examination.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Failure to file for renewal of license.

- 1. If a certificate holder fails to complete the required continuing education courses or renew his certificate before it expires, the certificate holder shall not engage in the business of association/common-interest community management until his certificate is reinstated. To have the certificate reinstated, he must apply on the appropriate form, submit current fingerprint cards, produce evidence of successful completion of continuing education courses and pay a fee if required.*

Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

Continuing education: Credit.

- 1. 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.*
- 2. Courses taken to satisfy requirements for renewal of a certificate must be completed within two (2) years immediately before the latest date for renewing the certificate.*
- 3. A certificate holder may receive credit for continuing education only upon certification by the sponsor that the certificate holder has attended and completed at least 90 percent of the course.*
- 4. The sponsor shall determine whether a final examination is required for the completion of a course.*