

LCB File No. R153-06

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

NAC 119A – TIME SHARES

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

AUTHORITY: NRS 119A

Section 1. Chapter 119A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 4, inclusive, of this regulation.

Sec. 2. *Provisional licensing of sales agent. The Division shall grant a provisional sales agent's license to an applicant who has submitted:*

1. A complete application for a sales agent's license in compliance with NRS 119A.210, NAC 119A.075 and NAC 119A.077;

2. An acknowledgement from the project broker that the broker has obtained a background report from a licensed private investigator or other reputable source;

3. A copy of the background report obtained by the project broker, demonstrating that the applicant has not been convicted of any crime that would be grounds for denial of the application pursuant to NAC 119A.085;

4. An acknowledgement from the project broker that there is a written agreement between the broker and the applicant in which the applicant understands and agrees that his employment in a licensed position will be terminated if he is denied a sales agent's license by the Division.

5. Upon complete submission of all of the items required by this section, the receipt issued by the Division constitutes a provisional license pending receipt of the requested license which shall be valid as provided in NAC 119A.083.

Sec. 3. *Provisional license valid only until determination of Division on license application.*

1. Any provisional license granted by the Division to a sales agent shall be valid only until the Division has made a determination to grant or deny the applicant a sales agent's license.

2. *If the Division determines to grant the applicant a sales agent's license, the sales agent's license shall supersede the provisional license.*

3. *If the Division determines to deny the applicant a sales agent's license, identification card or permit of any kind, the provisional license shall be revoked automatically. The applicant may request a hearing to contest the denial of the application pursuant to NAC 119A.090, but may not work as a sales agent or in any other position requiring a license pending the outcome of the hearing.*

4. *If the sales agent terminates employment with the project broker prior to receiving a sales agent's license, the provisional license shall be revoked automatically.*

Sec. 4. *Permitted and prohibited activities of provisional licensees; supervision of provisional licensee.*

1. *A provisional licensee may conduct sales related activities only on behalf of a time share developer at a branch office or a time share development.*

2. *A provisional licensee may not collect personal information, as that term is defined in NRS 603A.040, from a consumer in connection with potential sales of time shares.*

3. *A provisional licensee may not have access to lockboxes or any ability to enter a private residence that an unlicensed person would not have.*

4. *A provisional licensee must be supervised by the project broker or a licensed sales agent who must review and sign off on any contract relating to the sale of any time share.*

5. *A provisional licensee may be paid a commission on sales in which the provisional licensee is involved and may share any applicable commission with the project broker or licensed sales agent supervising the provisional licensee.*