

**ADOPTED REGULATION OF
THE REAL ESTATE COMMISSION**

LCB File No. R025-10

Effective December 16, 2010

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

AUTHORITY: §§1-3, NRS 645.190 and 645.400.

A REGULATION relating to real estate brokers; amending provisions concerning financial requirements to obtain a license as a real estate broker; and providing other matters properly relating thereto.

Section 1. NAC 645.102 is hereby amended to read as follows:

645.102 1. *Before a person who wishes to apply for a license as a real estate broker submits an application for the license pursuant to NRS 645.350, the person must obtain approval of his or her financial condition from the Division pursuant to NAC 645.120.*

2. An applicant for a license as a real estate broker must satisfy the requirements for a license as a real estate salesman as set forth in NAC 645.100 except the educational requirements set forth in paragraph (b) of subsection 2 of NAC 645.100. In lieu of providing proof that he has satisfied the educational requirements for a license as a real estate salesman, the applicant must include with an application submitted to the Division pursuant to NRS 645.350 proof that he has satisfied the educational requirements for a license as a real estate broker as set forth in NRS 645.343.

~~[2.]~~ 3. In addition to satisfying the requirements set forth in subsection ~~[1.]~~ 2, an applicant for a license as a real estate broker must include with the application he submits to the Division pursuant to NRS 645.350 ~~[:~~

~~—(a) Proof~~ *proof* that he has satisfied the experience requirements for a license as a real estate broker as set forth in subsection 4 of NRS 645.330 . ~~[-; and~~

~~—(b) The financial information required pursuant to NAC 645.120.]~~

Sec. 2. NAC 645.120 is hereby amended to read as follows:

645.120 ~~{The}~~

1. Before a person who wishes to apply for a license as a real estate broker submits an application for the license pursuant to NRS 645.350, the Division shall consider the financial condition of ~~{each applicant for a license as a real estate broker}~~ *the person* and require the *person to submit to the Division the* following financial information ~~{with his application:~~

~~—1.] :~~

(a) The ~~{applicant's}~~ *person's* current employer and the employer's address;

~~[-2.—The applicant's current financial obligations, including charge accounts;~~

~~—3.—The applicant's cash on hand;~~

~~—4.]~~ (b) The ~~{applicant's}~~ *person's* checking accounts with amounts;

~~{5.]~~ (c) The ~~{applicant's}~~ *person's* savings accounts with amounts;

~~{6.—The names and values of securities and stocks held by the applicant;~~

~~—7.—The value and identification of any other assets;]~~ and

~~{8.]~~ (d) Such other information concerning the ~~{applicant's}~~ *person's* finances as the Division deems pertinent.

2. A person may not apply for a license as a real estate broker unless the person has submitted to the Division the information required by this section and the Division has approved the financial condition of the person.

Sec. 3. NAC 645.150 is hereby amended to read as follows:

645.150 1. The Division may investigate the financial responsibility of each applicant for a license as a real estate broker. If the Division determines that an applicant is not financially responsible, it may require that the applicant be licensed as a real estate broker-salesman until he meets the requirements of financial responsibility as determined by the Commission. The Division may require an applicant for a license as a real estate broker to submit a credit report to the Division at his own expense.

2. An applicant for a license as a real estate broker shall be deemed financially responsible if he can show liquid assets sufficient to maintain an office for at least 180 days. The applicant's cash on hand must be on deposit at least 90 days before the date of the application. Anyone denied a license for lack of financial responsibility does not waive his right to appeal pursuant to NRS 645.440 by acceptance of a license as a real estate broker-salesman.

3. The Administrator may require other proof of the honesty, truthfulness and good reputation of any applicant, including the officers and directors of any corporation, or the members of any partnership or association making an application, before accepting an application for a license.

4. As used in this section, "liquid assets" means assets that are the equivalent of cash or easily converted into cash. The term:

(a) Includes, without limitation, money in a checking, savings or money market account and certificates of deposit.

(b) Does not include a line of credit.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED
BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066
LCB FILE NO. R025-10**

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

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 regulation was 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 April 14, 2010 in Las Vegas, Nevada, with video to Carson City, NV. Public comment was solicited at the public hearing held in Las Vegas, with video to Carson City on November 16, 2010.

2. The number of persons who:

| | <u>CC</u> | <u>LV</u> |
|------------------------------|-----------|-----------|
| Attended workshop: 04/14/10: | 0 | 6 |
| Submitted written comments: | 0 | 0 |
| | | |
| Attended hearing: 11/16/10: | 8 | 68 |
| Submitted written comments: | 0 | 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 per the notices. Additionally, the Commission has had a standing agenda item for their meetings which included a discussion to review Chapter 645 of the NAC and make recommendations for proposed changes, additions, and deletions since September 2005 through November 16, 2010. At each meeting, the Commission considered possible changes to the Nevada Administrative Code for Chapter 645, 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.

R025-10 was changed during the workshop process but not during the adoption hearing.

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: This regulation enables the Real Estate Division to require additional financial information from a person in order to consider the financial condition of the person.

Adverse effects: There are no anticipated adverse effects to businesses.

Beneficial effects:

(2) Both immediate and long-term effects.

Immediate effects: Same as above.

Long-term effects: None.

Public:

(1) Both adverse and beneficial effects:

Beneficial effects: R025-10 protects the public by requiring a person to satisfying and submitting specific financial and educational requirements to the Real Estate Division prior to applying for a real estate broker license.

Adverse effects: None.

(2) Both immediate and long-term effects:

Immediate effects: Same as above.

Long-term effects: Same as above.

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

The Division will not experience additional expenses by adopting this regulation.

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.

None.

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 are no new fees or increases to an existing fee.