

**ADOPTED REGULATION OF  
THE REAL ESTATE COMMISSION**

**LCB File No. R093-10**

Effective May 30, 2012

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

AUTHORITY: §§1 and 3-5, NRS 645.190, 645.575, 645.630 and 645.633; §2, NRS 645.190 and 645.575.

A REGULATION relating to licensing of real estate brokers and salespersons; revising the continuing education requirements for licensure; authorizing the Administrator of the Real Estate Division of the Department of Business and Industry to impose an administrative fine against a licensee who has not complied with continuing education requirements; and providing other matters properly relating thereto.

**Section 1.** NAC 645.4442 is hereby amended to read as follows:

- 645.4442 1. Except as otherwise provided in subsection 2, each ~~[first-year]~~ *first-time* licensee shall take a prescribed postlicensing course of education that focuses on practical applications of real estate transactions. The postlicensing course:
- (a) Must not repeat the content of the course work required to meet the educational requirements for an original license;
  - (b) Must constitute the ~~[30 hours of]~~ education required *to be completed by a licensee within the first year immediately after initial licensing* pursuant to NRS 645.575;
  - (c) Must be offered in modules; ~~[and]~~
  - (d) Must be provided through live instruction in which the licensee and the instructor are in the same room, except that ~~[first-year]~~ *first-time* licensees who live in a rural area may, with the

prior written approval of the Division, take the postlicensing course as an interactive or televideo course that involves interaction with the instructor and other students ~~[ ]~~; *and*

*(e) Must provide the Division with proof of completion within the first year immediately after initial licensing.*

2. The requirement for postlicensing education set forth in subsection 1 does not apply to a ~~[first-year]~~ *first-time* licensee who:

(a) Holds a real estate license issued by another state or territory of the United States, or the District of Columbia, on the date on which the ~~[first-year]~~ *first-time* licensee obtains a real estate license issued by the State of Nevada;

(b) Held a license as a real estate broker, real estate broker-salesman or real estate salesman issued by the State of Nevada within the 5 years immediately preceding the date on which the ~~[first-year]~~ *first-time* licensee obtained a license as a real estate salesman; or

(c) Is licensed as a real estate broker-salesman and obtained the qualifications for licensure as a real estate broker-salesman pursuant to the provisions of subsection 4 of NRS 645.343.

3. The postlicensing course may include material that has not previously been approved or allowed for continuing education credit. Courses approved for postlicensing education will not be accepted or approved as a course for continuing education.

4. The curriculum for postlicensing education must contain at least 15 modules that include, without limitation:

(a) Real estate contracts, including the writing and presenting of a purchase agreement and qualifying prospects;

(b) The listing process, market analysis and inspections;

(c) Communication, technology and records management, including time management, goal setting and devising a plan of action;

(d) Buyer representation, including the buyer's brokerage contract, fiduciary duties, disclosures, cooperation between agents and new-home tracts;

(e) Professional conduct, etiquette and ethics;

(f) Advertising, including Regulation Z of the Truth in Lending Act of the Federal Trade Commission issued by the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 226, fair housing, the multiple-listing service, Internet websites and electronic mail;

(g) Proceeds of sale, costs of sale and cost sheets;

(h) Agency relationships;

(i) Land;

(j) Regulatory disclosures, including disclosures required by federal, state and local governments;

(k) Property management and the management of common-interest communities;

(l) Escrow, title and closing processes;

(m) Financing;

(n) Negotiation; and

(o) Tax opportunities and liabilities related to the client.

***5. Each first-time licensee must complete an additional 12 hours of continuing education within the first 2 years immediately after initial licensing. The additional 12 hours of continuing education:***

***(a) Must include 3 hours in each of the following areas:***

***(1) Agency relationships;***

*(2) Nevada law, with an emphasis on recent statutory and regulatory changes;*

*(3) Contracts; and*

*(4) Ethics.*

*(b) Must be provided through live instruction in which the licensee and the instructor are in the same room, except that first-time licensees who live in a rural area may, with the prior written approval of the Division, take the additional continuing education course as an interactive or televideo course that involves interaction with the instructor and other students.*

*6. A first-time licensee who fails to comply with the requirements for postlicensing education set forth in this section is subject to immediate involuntary inactivation of the license by the Division and an administrative fine in the amount set forth in subsection 1 of NAC 645.695.*

*7. As used in this section, “rural area” means any area which is more than 100 miles from a city in this State whose population is 40,000 or more.*

**Sec. 2.** NAC 645.445 is hereby amended to read as follows:

645.445 1. To renew an active license, the licensee must provide the Division with proof that he has met the requirements set forth in ~~[paragraph (a) of subsection 1 of NRS 645.575.]~~ **NAC 645.448.**

2. To reinstate a license which has been placed on inactive status, a person must provide the Division with proof that he has met the requirements set forth in ~~[paragraph (b) of subsection 1 of NRS 645.575.]~~ **NAC 645.448.**

3. For the purpose of compliance with this section, 50 or more minutes of actual instruction constitutes a clock hour and initial licensing refers to the first issuance of a real estate license of any kind in Nevada.

~~[4.— A licensee may petition the Administrator for an extension of time in which to comply with the requirements for continuing education. The Administrator may grant such an extension if he finds the licensee has a severe hardship resulting from circumstances beyond his control which has prevented him from meeting the requirements.]~~

**Sec. 3.** NAC 645.448 is hereby amended to read as follows:

645.448 1. Except as otherwise provided in subsection 3, a real estate salesman who wishes to renew his license must complete at least ~~[24]~~ **48** hours of continuing education at approved educational courses, seminars or conferences during the license *renewal* period . ~~[for the license.]~~ *Twenty-four of the hours must be completed before the end of each 2-year period. Each licensee must provide the Division with proof of completion before the end of each 2-year period.* Not less than 12 of the hours *in each 2-year period* must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

(a) Three hours in the area of agency relationships;

(b) Three hours in the area of Nevada law with an emphasis on recent statutory and regulatory changes;

(c) Three hours in the area of contracts; and

(d) Three hours in the area of ethics.

2. Except as otherwise provided in subsection 3, a real estate broker or real estate broker-salesman who wishes to renew his license must complete at least ~~[24]~~ **48** hours of continuing education at approved educational courses, seminars or conferences during the license *renewal* period . ~~[for the license.]~~ *Twenty-four of the hours must be completed before the end of each 2-year period. Each licensee must provide the Division with proof of completion before the end*

*of each 2-year period.* Not less than 15 of the hours *in each 2-year period* must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

(a) Three hours in the area of agency relationships;

(b) Three hours in the area of Nevada law with an emphasis on recent statutory and regulatory changes;

(c) Three hours in the area of contracts;

(d) Three hours in the area of ethics; and

(e) Three hours in the area of broker management.

3. The requirements for continuing education set forth in subsections 1 and 2 do not apply to the renewal of a license upon the expiration of the initial license.

4. If a license has been placed on inactive status and the licensee wishes to have the license reinstated, the licensee must comply with the following requirements:

(a) If the license was on inactive status for 1 year or less, all of which was during the period of the initial license, the licensee must complete the ~~[30-hour]~~ postlicensing course described in NAC 645.4442.

(b) If the license was on inactive status for more than 1 year but less than 2 years, any part of which was during the period of the initial license, the licensee must complete at approved educational courses, seminars or conferences:

(1) The ~~[30-hour]~~ postlicensing course described in NAC 645.4442; and

(2) At least 18 hours of continuing education. Not less than 12 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

(I) Three hours in the area of agency relationships;

(II) Three hours in the area of Nevada law with an emphasis on recent statutory and regulatory changes;

(III) Three hours in the area of contracts; and

(IV) Three hours in the area of ethics.

(c) If the license was on inactive status for 2 years or less, no part of which was during the period of the initial license, the licensee must complete at least 24 hours of continuing education at approved educational courses, seminars or conferences. Not less than 12 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

(1) Three hours in the area of agency relationships;

(2) Three hours in the area of current Nevada law with an emphasis on recent statutory and regulatory changes;

(3) Three hours in the area of contracts; and

(4) Three hours in the area of ethics.

(d) If the license was on inactive status for more than 2 years, any part of which was during the period of the initial license, the licensee must complete at approved educational courses, seminars or conferences:

(1) The ~~{30-hour}~~ postlicensing course described in NAC 645.4442; and

(2) At least 24 hours of continuing education. Not less than 12 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

(I) Three hours in the area of agency relationships;

(II) Three hours in the area of current Nevada law with an emphasis on recent statutory and regulatory changes;

(III) Three hours in the area of contracts; and

(IV) Three hours in the area of ethics.

(e) If the license was on inactive status for more than 2 years, no part of which was during the period of the initial license, the licensee must complete at least 48 hours of continuing education at approved educational courses, seminars or conferences. Not less than ~~12~~ 24 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:

(1) ~~Three~~ Six hours in the area of agency relationships;

(2) ~~Three~~ Six hours in the area of current Nevada law with an emphasis on recent statutory and regulatory changes;

(3) ~~Three~~ Six hours in the area of contracts; and

(4) ~~Three~~ Six hours in the area of ethics.

5. Not more than 3 hours of any of the required hours *in each 2-year period* set forth in this section for continuing education may be taken in courses for personal development.

6. *At least 50 percent of the total hours of required continuing education set forth in this section must be taken through live instruction by a licensee.*

7. *A licensee who fails to comply with the requirements for continuing education set forth in this section is subject to immediate involuntary inactivation of the license by the Division and an administrative fine in the amount set forth in subsection 1 of NAC 645.695.*

8. As used in this section, “initial license” means the license of a ~~person who is a first-year~~ licensee ~~and~~ who:

(a) Did not hold a real estate license issued by another state or territory of the United States, or the District of Columbia, on the date on which the ~~first-year~~ licensee obtained a real estate license issued by the State of Nevada;

(b) Had not held a license as a real estate broker, real estate broker-salesman or real estate salesman issued by the State of Nevada within the 5 years immediately preceding the date on which the ~~first-year~~ licensee obtained a license as a real estate salesman; or

(c) Is licensed as a real estate broker-salesman and obtained the qualifications for licensure as a real estate broker-salesman pursuant to the provisions of subsection 2 of NRS 645.343.

**Sec. 4.** NAC 645.695 is hereby amended to read as follows:

645.695 1. The Administrator may require a licensee to pay an administrative fine in the amount set forth in this subsection for each violation of the following provisions:

	For each Offense
NRS 645.252.....	\$500
Subsection 4, 5 or 6 of NRS 645.310.....	1,000
NRS 645.530.....	100 per license
NRS 645.550.....	500
NRS 645.560.....	500
Subsection 1 of NRS 645.570.....	250
Subsection 2 of NRS 645.570.....	500
Subsection 1 of NRS 645.580.....	250
Paragraph (a), (b), (c), (e), (f), (i), (j), (k) or (l) of subsection 1 of NRS 645.630 .....	500
Paragraph (g) of subsection 1 of NRS 645.630 .....	1,000

For each  
Offense

Paragraph (c), (e), (g), (h), (j), (k) or (l) of subsection 1 of NRS

645.633.....	500
Paragraph (a) or (f) of subsection 1 of NRS 645.633 .....	250
Paragraph (i) of subsection 1 of NRS 645.633 .....	1,000
Subsection 1, 2, 3, 4, 5 or 6 of NRS 645.635.....	500
Subsection 7 or 8 of NRS 645.635.....	1,000
Subsection 3 of NRS 645.660.....	1,000
<i>NAC 645.4442 .....</i>	<i>100</i>
<i>NAC 645.448 .....</i>	<i>100</i>
NAC 645.610.....	500
NAC 645.620.....	500
NAC 645.627 .....	500
NAC 645.632 .....	500
NAC 645.637 .....	500
NAC 645.640.....	500
NAC 645.645 .....	500
NAC 645.650 .....	1,000
NAC 645.655 .....	1,000
NAC 645.855 .....	2,000

2. In addition to or in lieu of imposing an administrative fine pursuant to subsection 1, the Administrator may:

(a) Recommend to the Commission that the license of the licensee and any permit of the licensee be suspended or revoked;

(b) Require a licensee to complete continuing education; or

(c) Take any combination of the actions set forth in paragraphs (a) and (b).

**Sec. 5.** 1. The amendatory provisions of section 1 of this regulation apply only to first-time licensees whose licenses expire on or after July 1, 2012.

2. The amendatory provisions of section 3 of this regulation apply only to licensees whose licenses expire on or after July 1, 2013.

3. The amendatory provisions of section 4 of this regulation apply only to:

(a) A first-time licensee whose license expires on or after July 1, 2012.

(b) A licensee whose license expires on or after July 1, 2013.

**NOTICE OF ADOPTION OF REGULATION**

The DEPARTMENT OF BUSINESS & INDUSTRY, REAL ESTATE DIVISION, Adopted regulations assigned LCB File No. R093-10, which pertain to Chapter 645 of the Nevada Administrative Code on February 16, 2012. A copy of the regulations as adopted is attached hereto.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066  
LCB FILE NO. R093-10**

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, at each State library and in various other public locations where both the public and other interested persons would have access to that information.

The Division conducted three (3) public workshops, and an adoption hearing, which was video conferenced between Las Vegas and Carson City. Public comment was solicited at the workshop and at the adoption hearing.

**Number of persons who attended:**

	<u>CC</u>	<u>LV</u>
Attended Workshop: 06/17/10	3	8
Submitted written comments:	0	0
Attended Workshop: 09/21/11	3	21
Submitted written comments:	0	0
Attended Workshop: 11/16/11	0	5
Submitted written comments:	0	0
Attended Adoption: 02/16/12	0	7
Submitted written comments:	0	2

**2. 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 at three (3) public workshops and adoption hearing. Written comment was requested by the Real Estate Commission. Additionally, since March 2005 through February 16, 2012, the Commission has had a standing agenda item to discuss and review Chapter 645 of NAC in order to make recommendations for proposed changes, additions, and deletions. At each public meeting, the Commission considered possible changes to the Nevada Administrative Code for Chapter 645, solicited public comment, and formulated public proposals for changes.

Interested persons were instructed to submit public comment by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4036. The public was directed to obtain copies of comment summaries and written comments by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4036.

Minutes of the Commission meetings are available on the Division website and by contacting Joanne Gierer, Legal Administrative Officer, at 702-486-4036.

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

A color copy of R093-10 containing every change made to the regulation throughout the workshop and adoption process is included in the Real Estate Division's submission for the Legislative Subcommittee's review on May 30, 2012.

**4. 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:**

**(a) Both adverse and beneficial effects:**

No adverse effects.

**(b) Both immediate and long-term effects.**

Same as above.

**5. Public:**

**(a) Both adverse and beneficial effects: and**

There are no known adverse economic effects for the public from these proposed regulations.

**(b) Both immediate and long-term effects:**

There are no known immediate or long-term economic effects for the public from these proposed regulations.

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

There is no cost to the agency for enforcement of the adopted 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.**

- 1. \$100 Administrative Fine pursuant to NAC 645.4442 & Section 1(8) of LCB File No. R093-10.  
50 licensees.....\$5,000.**
  
- 2. \$100 Administrative Fine pursuant to NAC 645.448 & Section 3(9) of LCB File No. R093-10.  
50 licensees.....\$5,000.**

LCB FILE No. R093-10

June 17, 2010

Sawyer Building  
555 E. Washington, Suite 4401  
Las Vegas, NV 89101

Video conferenced to:

Legislative Building  
401 S. Carson St.  
Room 2135  
Carson City, NV 89701

Start time: 8:34 a.m.

Commissioners present in Las Vegas: Soozie Jones Walker

Present in Carson City:

Las Vegas Staff: Joanne Gierer, Susan Clark and Safia Anwari

Carson City Staff:

Commissioner Sozzie Jones Walker conducted the R093-10 Workshop.

Sec. 1: NAC 645.4442:

Las Vegas:

Linda Rhineberger: NVAR - Supports this section as amended and feels this section supports further education.

Susan Clark: To date the Division has never received a request from a rural constituent.

Commissioner Walker:

Teresa McKee: the intent was that

Forest Barker: Understands the 3, 3, 3, and 3 but thinks 9 hours of contract and 9 hours wo

Kieth Kelly: Respects Forest's comments but he disagrees. Ehtica and contracts are very important and should remain.

Carson City:

Mark Ashworth: What determines a rural area, mileage, etc? Doesn't have a suggested determination as to what would constitute a rural area.

Teresa McKee, NVAR: Was on the working group. Fully supports this section of the regulation.

Sec. 2. NAC 645.445:

Carson City: No comment

Las Vegas:

Linda Rhineberger: From her workgroup she heard from the Division that this section is very hard to enforce due to cutbacks, etc. Agrees with this change.

Sec. 3. NAC 645.448: This section is the dicey section.

Las Vegas:

Linda: NVAR strongly believes in education and supports this fully.

Devichhelo:

Keith Kelly: Important that required classes to be taken every two years and not just the first 24 months.

J.C. Arens: Personal development is not in here will it be going away.

Safia Anwari: Property Management and Business Broker, does the doubling affect those as well?

Forest: This may not be the venue for this but property management

Susan Clark responded to Dave Hanson's comment. This would be a Commission change.

Soozie Walker: 9:24 Question for Susan.

Susan Clark: There is currently another regulation out there, R157-08, which is simplifying this section, so there are recommended changes that are in line with the 4 year licensing period.

Myrna Kingman: Concern is regarding the fact that the certificates must be turned into the Division before each 24 month period. We all know that they lose certificates so what kind of procedure would be implemented to make sure that this doesn't happen, that somebody

J. C. Arens:

Teresa McKee:

Carson City:

Teresa McKee: This is drafted in a way that a licensee

Mark Ashworth: What happens if the licensee doesn't provide the certificates to the Division?

Teresa McKee: (5) Double the 3 hours to six hours.

Mark Ashworth: Confused by the 24 hours in the first 24 hours? This will be a problem with our older established licensees. Not opposed to this regulation but does see a real problem and confusion.

Susan Clark: There is a current procedure for "Involuntary license inactivation."

Dave Hanson: (e) 12 hours out of the 48 are unspecified?

Teresa McKee: I will review R157-08 and talk with Joanne about those changes. We will be able to discuss this regulation (R093-10) so please come to the commission meeting.

General Comments:

LV Keith Kelly: Rural communities, rather than looking at population look at mileage traveled.

LV Susan Clark: Respond to Ms. Kingman and Mr. Ashworth regarding the implementation of monitoring and tracking of CE certificates. The RED doesn't have the staffing or the capability of the Data Base to track CE. In 2012 we will begin tracking Post-licensing CE so the Division is currently securing enhancements to the Data Base in order to accommodate the tracking issue.

Also questioned whether the Division should could a timeframe after the 24 months is over regarding allowing the licensee to get the CE in.

Soozie: During the discussions at the work group, they talked about 7 – 10 days to allow for mail, etc.

Susan: It depends on each licensee's individual circumstances regarding not getting the Certificate in on time.

Soozie: We need to give more thought on this issue before the end of the month to get the recommendation to the Commissioners at the meeting.

Susan: Suggested 30 days.

Joanne Gierer: Policy or in the regulation.

Teresa: Division Policy.

LV - Forest Barbee: Good with the 30 days but want the Division to inactivate the licensee during the interim.

LV - Soozie: A lot of conversation was given to the licensee as far as maintaining good habits regarding the 24 months.

LV J.C. Arends: With the guidelines that you have right now. Law and education is a good venue for the information to be distributed .

CC – Dave Hanson: live classroom drafting should be consistent. Something on the certificate indicating whether the class was taken live or classroom.

Concluded at 9:55 a.m.

SEPTEMBER 21, 2011

Grant Sawyer Building  
555 E. Washington Ave.  
Room 4412  
LAS VEGAS, NV 89101

VIDEO CONFERENCE TO:

SEPTEMBER 21, 2011

Legislative Building  
401 S. Carson St.  
Room 2134  
Carson City, NV 89701

Start time: 9:00 a.m.

Commissioners present in Las Vegas: Bert Gurr, David Boyer, Stephen Johnson, Marc Sykes and Paul Murad. Commission Counsel, Senior Deputy Attorney General, Rose Marie Reynolds.

Staff in Las Vegas: Gail Anderson, Joanne Gierer, Jan Holle, Ingrid Trillo and Safia Anwari.

Division Counsel is Kim Arguello, Senior Deputy Attorney General.

Staff in Carson City: Steve Aldinger and Kip Steele.

R093-10 is being conducted by President David Boyer.

President Boyer introduced Sozzie Jones Walker who was instrumental in pulling this regulation together and conducted the first and only R093-10 workshop last year.

Section 1. Tony Messini: Why are we complicating the Real Estate Division job by changing this CD 9:10

Bert 1(7). Bad definition of rural. Soozie stated that we had a lot of discussions about this during the workshop and work group. It is awkward but mirrors language in regulation. Bert suggested "a metropolitan area" rather than "an area."

Teresa McKee: We are looking right now but thinks the word is "municipality."

Rose Marie suggested using "counties."

Soozie: We lifted the same verbage in the existing NAC, which staff reported that they were not having problems with this.

Cindy Weber: 3 major learning styles: reading, hearing and interactivity.

Section 2. No comment.

Section 3. Gail.

Soozie: Many states use the honor system in signifying they have taken a course and in fact have not.

Gail: We will have the availability soon for licensees to look up what education they personally need to take. This will happen when we will be able to upload the class attendance files that education providers will be responsible for submitting to the Division.

Bert: how long? Gail: should this regulation become enacted it will become effective as soon as it is adopted. This regulation affects not the current licensing period that a licensee is in, but, after their next renewal, it's affective in that licensing period that starts their license in a 4 year cycle. Ms. Anderson also stated that the Education Section will be auditing more.

Murad: Should we change salesman to salesperson. Boyer stated that is a good point and agreed.

#### General Comments:

Soozie Jones Walker:

Carson City:

Harry Ward: Gender neutal in 3(6)(b) and (c).

Mike Young: NVAR President.

Jennifer Capuro: Woked on this regulation in the workgroup. Urge you to adopt this regulation.

Forrest Barbee: Las Vegas. Agrees with Mike Young and Jennifer Capuro. Also thankis Soozie Jones Walker for her work on this regulation.

Cindy Weber: ABC Real Estate School. Thought about Commissioner Sykes comment yesterday about Collateral Learning and Loan Fraud.

Joanne Gierer: Clarification request regarding neutral gender

David Boyer:

Concluded at 10:02 a.m.

REAL ESTATE COMMISSION  
NOVEMBER 16, 2011

Grant Sawyer Building  
555 E. Washington Ave.  
Room 4412  
Las Vegas, NV 89101

VIDEO CONFERENCE TO:

Legislative Building  
401 S. Carson St.  
Room 3138  
Carson City, NV 89701

R093-10 Workshop Summary

Meeting started at 8:35 a.m.

R093-10 WORKSHOP:

A) 11/16/11 @ 8:30 a.m. REGULATION WORKSHOP FOR LCB FILE No. R093-10:  
Workshop by the Nevada Real Estate Commission to adopt proposed regulations known as LCB  
File No. R093-10, which establishes the following:

- <A regulation relating to licensing and education in real estate;
- <Revises the general requirements for continuing education for first time licensees;
- <Revises the specific requirements for renewal of license other than initial license and for reinstatement of license;
- <Revises the courses required for first-year licenses; exempt licensees; standards for courses; and
- <Providing other matters properly relating thereto.

President Boyer stated the following. "This is the time and place set to receive comment from all interested persons regarding the adoption of regulations that pertain to Chapter 645 of the Nevada Administrative Code known as LCB File No. R093-10 as posted by notice of this workshop on or about October 27, 2011. Today is Wednesday, November 16, 2011. The time is approximately 8:37. The workshop is scheduled for here at the Sawyer Building and in Carson City at the Legislative Building. We have had introductions. Copies of the proposed regulations are available by the sign-in sheets. The current proposed language is a result of input from many sources. It's important to emphasize that this workshop is a continuation of the process of collecting input from all interested parties. The purpose of this workshop is to give all interested persons a reasonable opportunity to submit data, views or arguments regarding the adoption of regulations that pertain to Chapter 645 of the Nevada Administrative Code. The following is the procedure for today's hearing. We will receive your comments in the order in which the proposed regulations are drafted. Please approach the speaker's table in an orderly fashion when the section you wish to address is announced. In order to give everyone an opportunity to state

their views, you'll be given three minutes to speak. Each time you speak, please begin by stating your name and business affiliation. If you have written material, you would like to submit, please hand it to Joanne Gierer as you leave the speaker's table. In Carson City, please leave written comments by the sign-in sheets. After we have completed the proposed regulations, we will call for final comments on any of the previous sections. Please do not repeat anything you have submitted in writing or have previously given testimony on. Having gone through this LCD line by line the last time, I am not going to do so again, other than to say I will start with section one and ask if there is any comment from any member of the public here or in Carson City. Then as we get to the amendments that have been proposed today, we will stop and discuss those. In section one, is there any additional public comment?"

Gail Anderson, Administrator asked if an edit, allowing for the electronic submittal of, not just provide a certificate, had been missed on E.

President Boyer stated that language was used on page six of the LCB draft. Rather than the words "*copy of certificate*", they used "*proof of completion*".

Ms. Anderson asked that that same language be used in subsection 1(E), as well.

Cindy Weber, ABC Real Estate School, asked if the end of section 1, subsection 7, meant that a broker or licensee that's out of state would be exempt from the live classroom and they could take an interactive or televideo course?

President Boyer stated that he believed that was the intent. However, even though it says [more than 100 miles from] a city in this state, there are some people, in California, Arizona or Utah perhaps, who do live within a hundred miles from a city in this state.

Add New Language to Section 1 (5) of LCB #R093-10 amending Nevada Association of Realtors 645.4442

Add New Language to Section of LCB #R093-10 amending NAC 645.448

President Boyer brought up the first new language proposed, which was in new subsection b stating that up to six hours of the Division's course "What Every Licensee Should Know" may be included, if the designation corresponds to fulfill a required area.

Commissioner Sykes moved to remove the first amendment dealing with "What Every Licensee Should Know" and thereby remove it from consideration as part of the workshop document, stating that it's already provided for in statute, so there is no need for it to be particularly addressed as an additional item in the post licensing statute at this time.

President Boyer verified that Commissioner Sykes was suggesting that both amendments concerning Every Licensee Should Know should be postponed to a later date. Amendments were tabled.

Teresa McKee, representing the Nevada Association of Realtors, requested that every section addressing Nevada law include federal, state and local law, with emphasis on recent statutory and regulatory changes. Any place where it talks about Nevada law should read “changes to federal, state and local law.” It may also include compliance and discipline, as reported by the Division.

Ms. Anderson stated that she wanted to make it clear that this has to do with law changes, not existing federal or county laws. The focus, as established by this commission, has been on law update.

Section Two:

No comments.

Section Three:

No comments.

New Amendments

President Boyer cited new language to be added as follows. “The requirements set forth in NAC 645.4442, as amended in Section 1 of LCB File No. R093-10 shall be effective for first time licensees due to renew after June 30, 2012.” He referenced the passages as Amendments C and D, stating that D is similar to C, but it discusses the effective date for licensees due to renew, not first time licensees.

Gail Anderson spoke in support of incorporating language in both of these areas, stating that it’s going to be very important to make clear to licensees when these new regulations take place. They are effective when their legislative commission approves them and they are filed.

President Boyer wanted to make sure that everybody that had been licensed as a first-time licensing or have renewed since 1 July of this year understood that requirements had gone up.

Gail Anderson proposed adding a penalty of \$500, in addition to the involuntary inactivation of a license by the Division, for failure to comply with the post-licensing educational requirements.

Susan Clark, Licensing Manager, reviewed the penalties for failing to renew a license in a timely manner, by the expiration date.

Gail Anderson stated that there might be more incentive for people to keep up on the requirements if the penalty involved more than the involuntary inactivation. In addition, the inactivation involves a lot of paperwork and if it’s a broker, it’s an entire office shut down, so there’s even more involved.

Commissioner Sykes brought up a prior workshop on this subject matter, where they had a discussion about having the education be done on the honor system. He asked if anyone was

familiar with how other states who use the honor system handle fines for those who don't meet their education requirements.

Soozi Jones Walker, former Commissioner, stated discussions were held in prior workshops about having an administrative fine, in addition to involuntary inactivation of the license, because there needs to be a more substantial penalty for those who do not comply. Ms. Jones Walker commented that other states, such as California and Arizona, have fines for everything.

Commissioner Sykes continued the conversation by asking for Ms. Jones Walker's if her experience was somewhat consistent with what they do in other states with four-year license renewals, but two-year educational requirements and asking for a recommendation.

Ms. Jones Walker stated that the workgroup really didn't suggest a specific dollar amount, but the fines had to be enough that they were more than just the "cost of doing business".

Commissioner Sykes suggested one fine for brokers and perhaps a lesser fine for salespeople?

Ms. Jones Walker stated that there was already a different grading system for salespeople versus broker-sales and brokers.

Commissioner Gurr stated that the first four years through this system was going to be highly confusing to everybody. He suggested that there should be a time period to learn the system. Keep the \$30 reinstatement fine and then, in four years or whenever, these fines would go into place, so that everybody understands you have to take [classes] every two years

Commissioner Gurr asked if there were any allowances for people who can't physically get to a classroom. If somebody's had extenuating circumstances, is there any leeway to allow them to get their education and renew, without an additional fine.

Ms. Jones Walker stated that there used to be a hardship clause, but it had been removed out of the Division's purview, at their specific request, because it created a huge burden on the staff.

More discussion ensued concerning the timing of the proposed fines in relationship with license renewal, using some of the commissioners as specific examples.

Commissioner Gurr restated his concerns about imposing fines on the first phase through this four-year period; that it would be better to get through one licensing period to see how people respond. Then, impose additional fines after that.

Ms. Jones Walker stated that the real estate license is a privilege license, which means that licensees need to know how to operate their businesses. If the goal is to protect the public, the question is what we need to do to make the licensee do the right thing.

President Boyer expressed the opinion that we need to get through the first cycle before we start fining people. And on a related note, he noted that the workgroup that Soozie Jones Walker chaired did such great work. He stated his inclination to stop trying to wordsmith and

make everything perfect; to just get it done. That might reduce the amount of uncertainty for licensees that have renewed since July and still think they're only going to have to do 24 hours to renew in 2015.

Commissioner Gurr suggested language in that would allow a new administrative fine up to a number for salespeople and up to a number for brokers. Then, if it looked like things are getting rampant and runaway, a fine could be assessed. He stated that when a licensee has to give up their license for a month or more, it's a pretty heavy penalty, especially if they've got deals in progress that have to be stopped.

Commissioner Sykes stated that the easiest way to implement the fine is to do it without the grace period, with the fine structure being more along the lines of \$150 for salespeople and \$250 for brokers, something that is certainly more than a cost of doing business, but not enough to necessarily be punitive or prohibit people from renewing their license

Commissioner Gurr suggested assessing the broker for each licensee that fails to comply.

Ms. Jones Walker stated that if the Commission decided to do nothing, there are already substantial penalties and fines to the brokers for allowing any of their salespeople to work with an inactive license. The \$30 fine, however, is not stiff enough to encourage salespeople to comply. There may be a need for an additional incentive to get people to do the right thing.

Commissioner Gurr suggested \$100 across the board, this time, with the regulation being reviewed every two years to see if it needs to be adjusted.

Forrest Barbee, Prudential American Group, stated that he viewed the issue differently. He felt that was not about licensing. He disconnect the educational renewal from the licensing process and I chose to look at license renewal and educational requirements as separate as separate events, separate entities. He wanted to keep his agents focused on the fact that they have a two-year education requirement, if this all goes through. He was on board with involuntary inactivation, where the broker is notified. He felt that connecting the education requirements with the license renewal was causing confusion.

President Boyer called the workshop closed at 09:32.

FEBRUARY 16, 2012

Grant Sawyer Building  
Gaming Control Board  
555 E. Washington Ave.  
Room 2450  
Las Vegas, NV 89101

VIDEO CONFERENCE TO:

Gaming Control Board  
1919 College Parkway  
Carson City, NV 89706

R093-10 ADOPTION HEARING

Adoption Hearing start time: 8:35 a.m.

President Boyer conducted the Adoption Hearing.

A) Introduction of Commissioners in Attendance

Marc Sykes, Washoe County; Richard Johnson, Washoe County; Bert Gurr, Elko County, Paul Murad, Clark County; David Boyer, Clark County; Rose Marie Reynolds, Commission Counsel.

B) Introduction of Division staff in Attendance

In Las Vegas: Gail Anderson, Administrator; Jan Holle, Chief Investigator; Susan Clark, Licensing Manager; Safia Anwari, Education Officer; Linda Chavez, Compliance Audit Investigator; Carolyn Washington, Compliance Audit Investigator; Ingrid Trillo, Education Program Officer; Joanne Gierer, Legal Administrative Officer; Rebecca Hardin, Commission Coordinator; Division Counsel, Kimberly Arguello, Senior Deputy Attorney General; Christopher Eccles, Deputy Attorney General; Daniel Ebihara, Deputy Attorney General.

In Carson City: Martha Alvarez, B&I Directors Office, monitoring Room 3138

Adoption Hearing by the Nevada Real Estate Commission to adopt proposed regulations known as LCB File No. R093-10, which establishes the following:

- <A regulation relating to licensing and education in real estate;
- <Revises the general requirements for continuing education for first time licensees;
- <Revises the specific requirements for renewal of license other than initial license and for reinstatement of license;

10.

- <Revises the courses required for first-year licenses; exempt licensees; standards for courses; and
- <Providing other matters properly relating thereto.

Section 1:

Gail Anderson, Administrator asked if an edit, allowing for the electronic submittal of, not just provide a certificate, had been missed in subsection 1(e).

President Boyer stated that language was used on page six of the LCB draft. Rather than the words “*copy of certificate*”, they used “*proof of completion*”.

Ms. Anderson asked that that same language be used in subsection 1(e), as well.

Cindy Weber, ABC Real Estate School, asked if the end of section 1, subsection 7, meant that a broker or licensee that’s out of state would be exempt from the live classroom and they could take an interactive or televideo course?

President Boyer stated that he believed that was the intent. However, even though it says [more than 100 miles from] a city in this state, there are some people, in California, Arizona or Utah perhaps, who do live within a hundred miles from a city in this state.

Add New Language to Section 1 (5) of LCB #R093-10 amending Nevada Association of Realtors 645.4442

Add New Language to Section of LCB #R093-10 amending NAC 645.448

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Section 2:

No comments.

Section 3:

Teresa McKee requested the word “may” in Section 3(7) be changed to “must”. The Commission agreed.

Section 4:

No comment.

Discussion on New Amendments:

Section 1:

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President Boyer closed the Adoption Hearing at 9:32 a.m.

**Understanding Adopted Regulation R093-10 and its' effect on Nevada Real Estate Licensees.**

NOTE: This regulation was adopted by the Nevada Real Estate Commission in February 2012 but has not yet been approved by the legislative Counsel. The legislative counsel may require the regulation to be modified.

This bill is designed to increase the continuing education of Nevada Real Estate licensees. The bill has also been written to compliment the educational requirements within the 2 and 4 year license fee periods.

Licensees Renewing for the first time-

**This section pertains to licenses that expire after June 30 2012.**

Nevada Real Estate licensees will be required to pay for an original 2 year licensing period. The licensee will be required to complete and submit 30 hours of Nevada Post licensing education within the first year of licensing. The licensee will be required to complete an additional 12 hours of continuing education prior to the license expiration date (prior to the end of the second year). The Post licensing course and the 12 hour continuing education must be done in class.

Subsequent Renewing Licensees -

**This section pertains to licenses that expire or renew after June 30 2013.**

Nevada Real Estate Licensees will be required to pay for 4 years of licensing at each renewal. The licensee will be required to complete and submit 24 hours of continuing education every two year period. 12 Hours of the 24 Hours of the required continuing education must be done in class.

Key Realty School will have many options relative to the completion of these requirements. Options pertaining to licensees renewing for the first time will be posted in May of 2012. Options pertaining to subsequent license renewal will be posted in March of 2013. All post licensing course work and continuing education course work remains as represented at [www.KeyRealtySchool.com](http://www.KeyRealtySchool.com) until said changes.

Click here to access R093-10 as adopted by the Nevada Real Estate Commission

Feel free to contact Key Realty School staff with any questions.  
Admissions Office: 800 472 3893

February 16, 2012

Dr. Cynthia I Weber, Administrator  
ABC Real Estate School  
800 N Rainbow Blvd, 5te. 208-6  
Las Vegas, NV 89107  
256-2801

Re: LCB File No. R093-10

Nevada Real Estate Commission:

I am writing in opposition of the live classroom requirement in proposed LCB File No. R093-10 slated for adoption on February 16, 2012. The regulation is a job-killing, Nevada small business-killing regulation that will limit a Nevada real estate licensee's access to education.

As it true in most states and with most occupations, presently all Nevada real estate continuing education can be completed by any delivery method. This new regulation will require new licensees to complete all of their continuing education in a live classroom and all seasoned licensees to complete at least half of their continuing education in a live classroom. In this highly technological age, where students learn with I-phones, I-pads and Kindles, etc, this added burden will unnecessarily limit a licensee's options for the completion of his/her required continuing education.

ABC Real Estate School is a Nevada corporation founded in 1996 to educate present and future Nevada real estate licensees. It is licensed by the Nevada Commission on PostSecondary Education, and its' courses are accredited by the Nevada Real Estate Commission. It has offered education by every delivery method, but has been specializing in distance education for a number of years. It thrives with repeat customers and positive word-of mouth. Unlike many Nevada real estate education providers that purchase the same standard distance education products from the same vendors, ABC Real Estate School has gained a sturdy reputation by offering self-written, Nevada-specific education to its customers.

While many Nevada real estate schools have closed, ABC Real Estate School has rolled with the punches and remained. It thought all it had to endure was the economic climate, but even with the unlikely assumption that licensees will attend multiple schools for their 24-hours of education, this proposed regulation will take away more than 60% of its remaining continuing education students. As the environment moves from a business-challenging environment into a business killing environment, this regulation will no longer make it economically feasible for ABC Real Estate School to offer Nevada-specific courses in a state unfriendly to technology and distance education.

The Administrator of the school, Dr. Cynthia Weber, a Nevada real estate broker, holds a Doctorate in Education with a specialty in 'Instructional Design and Distance Education'. Educational journals indicate that if a student is provided the same curriculum content by any of the three major delivery methods; auditory, kinesthetic, and written, the positive learning

outcome will not vary due to the delivery method itself. It is only influenced by a genetic and personal preference towards the delivery method. Many might even argue that access to education by distance delivery increases learning because of its 24/7 access.

ABC Real Estate School performed a small random survey to find out the preferred learning styles of its' present and potential students. The results signified a fairly even split of preferences of learning delivery methods.

Everyone likes to have the opportunity to pick their favorite delivery method for education. Presently real estate licensees have that ability. If all licensees preferred a live classroom environment, there would be no distance education courses, because there wouldn't be a demand for it. This isn't the case.

Presently licensees have the freedom to make their own choices. They can choose live classroom. They can choose distance education. ABC Real Estate School wants to encourage the Nevada Real Estate Commission and the State of Nevada to continue to allow supply and demand to work for the licensees of Nevada and not exterminate Nevada real estate licensees and businesses by regulation.

Thank you for your time.

Sincerely,

Dr. Cynthia Weber  
ABC Real Estate School