

PROPOSED REGULATION OF THE REAL ESTATE COMMISSION

LCB FILE No. R093-10

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

AUTHORITY: NRS 645.190

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

Courses required for first-year licensees; exempt licensees; standards for courses. (NRS 645.190, 645.575)

1. Except as otherwise provided in subsection 2, each first-year 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 pursuant to NRS 645.575 *within the first 12 months of licensing*;

(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 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~~; *and*

(e) Must supply the Division with a copy of the certificate of completion within the first 12 months of licensure.

2. The requirement for postlicensing education set forth in subsection 1 does not apply to a first-year 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 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 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. First-time licensees must complete the additional 12 hours of continuing education through live instruction, within the first 24 months of licensing:

- a) 3 hours contracts;*
- b) 3 hours agency;*
- c) 3 hours ethics; and*
- d) 3 hours legislative/law update.*

6. Failure to comply with the requirements for postlicensing education set forth in subsections 1 and 5 of this section are grounds for immediate involuntary license inactivation by the Division.

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

NAC 645.445 General requirements for renewal or reinstatement of license; extension of time for compliance. (NRS 645.190, 645.575)

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.

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.

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:

NAC 645.448 Specific requirements for renewal of license other than initial license and for reinstatement of license. (NRS 645.190, 645.575)

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]~~. *24 hours of the 48 hours of the required courses shall be completed before the end of each 24 month period. Licensees must supply the Division with copies of the certificates of completion before the end of each 24 month period.* Not less than ~~[12]~~ 24 of the hours must be devoted to

ethics, professional conduct or the legal aspects of real estate, including:

- (a) ~~[Three]~~ 6 hours in the area of agency relationships taken by live instruction;
- (b) ~~[Three]~~ 6 hours in the area of Nevada law with an emphasis on recent statutory and regulatory changes taken by live instruction;
- (c) ~~[Three]~~ 6 hours in the area of contracts taken by live instruction; and
- (d) ~~[Three]~~ 6 hours in the area of ethics taken by live instruction.

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]~~. *24 hours of the 48 hours of required courses shall be completed before the end of each 24 month period. Licensees must supply the Division with copies of the certificates of completion before the end of each 24 month period.*

Not less than 15 of the hours 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 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.

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

6. 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.

7. Failure to comply with the requirements for continuing education set forth in subsections 1 and 2 of this section are grounds for immediate involuntary license inactivation by the Division.