

**PROPOSED REGULATION OF
THE REAL ESTATE COMMISSION**

LCB File No. R004-16

July 6, 2016

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

AUTHORITY: §§1 and 9, NRS 645.190, 645.575, 645.630 and 645.633; §§2 and 3, NRS 645.190 and 645.400; §§4 and 14, NRS 645.190; §5, NRS 645.190, 645.343 and 645.575; §6, NRS 645.190 and 645.343; §7, NRS 645.190, 645.343, 645.575, 645.630 and 645.633; §8, NRS 645.190 and 645.575; §10, NRS 645.050, 645.190, 645.575, 645.630, 645.633, 645.635 and 645.660; §§11 and 12, NRS 645.190 and 645.6052; §13, NRS 645.190 and 645.863.

A REGULATION relating to real estate; revising provisions relating to requirements for postlicensing education and continuing education for certain licensees of the Real Estate Division of the Department of Business and Industry; revising provisions governing the Division's investigation of the financial responsibility of an applicant for a license as real estate broker; revising the period in which the Division will accept the results of an applicant's examination; revising the proof which a person must submit to the Division to renew or reinstate a license; repealing provisions requiring the Division's consideration of the financial condition of a person who wishes to apply for a license as a real estate broker; repealing provisions relating to persons who hold permits to engage in property management and who engage in the management of common-interest communities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

In 2015, the Nevada Legislature passed Assembly Bill No. 475, which reduced the period of initial licensure for a license as a real estate broker, real estate broker-salesperson or real estate salesperson from 24 to 12 consecutive months and each subsequent period of licensure for these and other licenses issued by the Real Estate Division of the Department of Business and Industry from 48 to 24 consecutive months. Assembly Bill No. 475 provided that existing licenses issued by the Division before July 1, 2015, do not need to be renewed until the expiration dates listed on those licenses. (Chapter 475, Statutes of Nevada 2015, at page 2780)

Section 1 of this regulation establishes educational requirements for certain licensees whose licenses have been placed on inactive status and who apply for reinstatement.

Existing regulations provide that the Division may investigate the financial responsibility of an applicant for a license as a real estate broker and provide that an applicant shall be deemed

financially responsible if the applicant can show liquid assets sufficient to maintain an office for at least 180 days. (NAC 645.150) **Section 3** of this regulation revises these provisions to eliminate the presumption of financial responsibility, require that a credit report submitted to the Division must be dated within 30 days before the date of the application and require that an applicant submit such other information as the Division deems necessary.

Existing regulations provide that the Division will only accept the results of an examination 12 months after an application for a license. (NAC 645.225) **Section 4** of this regulation revises this provision to provide that the Division will only accept the results of an examination for 12 months after the results of the examination were issued.

Existing regulations set forth certain requirements for a course of postlicensing education for first-time licensees. (NAC 645.4442) **Section 7** of this regulation revises those requirements to require the completion of prescribed continuing education by certain first-time licensees and to harmonize with the new period of initial licensure established by Assembly Bill No. 475.

Existing regulations require a person to submit certain proof to the Division to renew an active license or reinstate an inactive license. (NAC 645.445) **Section 8** of this regulation revises the items of proof that must be submitted to renew or reinstate a license.

Existing regulations set forth certain requirements for continuing education for a real estate salesperson, real estate broker or real estate broker-salesperson who wishes to renew his or her license. (NAC 645.448) **Section 9** of this regulation revises those requirements as they relate to live instruction and distance education and harmonizes the requirements with the new periods of licensure established by Assembly Bill No. 475.

Existing regulations establish certain requirements for continuing education for the renewal of a permit to engage in property management. (NAC 645.802) **Section 12** of this regulation revises those requirements as they relate to the subject matter of the continuing education and harmonizes the requirements with the new periods of licensure established by Assembly Bill No. 475.

Existing regulations establish certain requirements for continuing education for the renewal of a permit to engage in business as a business broker. (NAC 645.915) **Section 13** of this regulation revises those requirements as they relate to the subject matter of the continuing education and harmonizes the requirements with the new periods of licensure established by Assembly Bill No. 475.

Existing regulations require the Division to consider the financial condition of a person who wishes to apply for a license as a real estate broker before the person files an application for the license and requires the person to submit to the Division certain financial information. (NAC 645.120) **Section 14** of this regulation repeals these requirements.

Existing regulations provide that a person who holds a permit to engage in property management and who engages in the management of a common-interest community is subject to the provisions of existing law relating to managers of common-interest communities. (NAC 645.799) **Section 14** of this regulation repeals this provision.

Section 1. Chapter 645 of NAC is hereby amended by adding thereto a new section to read as follows:

1. If an initial license has been placed on inactive status during the first year of the initial license period and the licensee applies for reinstatement during that year:

(a) If the licensee is required to take a course of postlicensing education pursuant to NAC 645.4442, the licensee must provide the Division with proof of successful completion of the course of postlicensing education.

(b) If the licensee is exempt from the requirement for postlicensing education pursuant to subsection 2 of NAC 645.4442, the licensee must provide the Division with proof of successful completion of the 24 hours of continuing education required pursuant to subsection 6 of that section.

2. If an initial license has been placed on inactive status for more than 1 year but less than 2 years after the first renewal period and the licensee applies for reinstatement of the license:

(a) If the licensee is required to take a course of postlicensing education pursuant to NAC 645.4442, the licensee must provide the Division with proof of successful completion of the course of postlicensing education and, if applicable, the 12 hours of continuing education required pursuant to subsection 5 of that section.

(b) If the licensee is exempt from the requirement for postlicensing education pursuant to subsection 2 of NAC 645.4442, the licensee must provide the Division with proof of successful completion of the 24 hours of continuing education required pursuant to subsection 6 of that section.

3. If an initial license has been placed on inactive status for a period of more than 2 years, part of which was during the initial license period and the licensee applies for reinstatement of the license:

(a) If the licensee is required to take a course of postlicensing education pursuant to NAC 645.4442, the licensee must provide the Division with proof of successful completion of:

(1) The course of postlicensing education; and

(2) An additional 24 hours of approved courses of continuing education pursuant to subsection 1 of NAC 645.448.

(b) If the licensee is exempt from the requirement for postlicensing education pursuant to subsection 2 of NAC 645.4442, the licensee must provide the Division with proof of successful completion of:

(1) Twenty-four hours of continuing education as required by subsection 2 of NAC 645.4442; and

(2) An additional 24 hours of approved courses of continuing education as required by subsection 1 of NAC 645.448.

4. If a license has been placed on inactive status after the renewal of the initial license and the licensee applies for reinstatement of the license:

(a) If the license was on inactive status for 2 years or less, no part of which was during the initial license period, the licensee must provide the Division with proof of successful completion of at least 24 hours of approved courses of continuing education. Not less than 12 of the hours required pursuant to this paragraph must be devoted to ethics, professional conduct or the legal aspects of real estate, including 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) If the license was on inactive status for more than 2 years, no part of which was during the initial license period, the licensee must provide the Division with proof of successful completion of at least 48 hours of approved courses of continuing education. Not less than 24 of the hours required pursuant to this paragraph must be devoted to ethics, professional conduct or the legal aspects of real estate, including 6 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.*

5. Each course of continuing education and course of postlicensing education that is used to meet the requirements of this section must be completed within the 2 years immediately preceding the date of application for reinstatement of the license.

6. At least 50 percent of the total hours of continuing education required by this section must be taken through live instruction in which the licensee and the instructor are in the same room, except that a licensee who lives in a rural area may, with the prior written approval of the Division, complete the required hours of continuing education in distance education courses that involve interaction with the instructor and other students.

7. A licensee who fails to comply with the requirements for postlicensing education or continuing education set forth in this section is subject to the immediate involuntary

inactivation of his or her license by the Division and the imposition of an administrative fine in the amount set forth in subsection 1 of NAC 645.695.

Sec. 2. 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 salesperson 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 or she has satisfied the educational requirements for a license as a real estate salesperson, the applicant must include with an application submitted to the Division pursuant to NRS 645.350 proof that he or she has satisfied the educational requirements for a license as a real estate broker as set forth in NRS 645.343.

3. In addition to satisfying the requirements set forth in subsection 2, an applicant for a license as a real estate broker must include with the application he or she submits to the Division pursuant to NRS 645.350 proof that the applicant has satisfied the experience requirements for a license as a real estate broker as set forth in subsection 4 of NRS 645.330.

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

645.150 1. The Division may ~~[investigate the financial responsibility of]~~ :

(a) Investigate 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-salesperson until he or she meets the requirements of financial responsibility as determined by the Commission. The Division may require]~~ ;

(b) Require an applicant to submit such information as the Division deems necessary to conduct the investigation;

*(c) Require an applicant ~~[for a license as a real estate broker]~~ to submit a credit report ***dated within 30 days preceding the date of his or her application*** to the Division at his or her own expense.*

~~2. **[An applicant for a license as a real estate broker shall be deemed financially responsible if the applicant 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 ***as a real estate broker*** for lack of financial responsibility does not waive his or her right to appeal pursuant to NRS 645.440 by acceptance of a license as a real estate broker-salesperson.

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.]**~~

Sec. 4. NAC 645.225 is hereby amended to read as follows:

645.225 The Division shall only accept results of an examination ~~taken during the~~ *for* 12 months ~~to the day, immediately preceding~~ *after* the date ~~of application for a license.~~ *on which the results of the examination were issued.*

Sec. 5. NAC 645.400 is hereby amended to read as follows:

645.400 For the purposes of NAC 645.400 to 645.467, inclusive, ~~“school”~~ *and section 1 of this regulation:*

1. *“First-time licensee” means a licensee who, at the time of the issuance of his or her current license, has not held a license as a real estate broker, real estate broker-salesperson or real estate salesperson issued by this State within the immediately preceding 5 years.*

2. *“Initial license” means the first issuance of a license as a real estate broker, real estate broker-salesperson or real estate salesperson in this State to a first-time licensee.*

3. *“Rural area” means any area which is more than 100 miles from a city in this State whose population is 40,000 or more.*

4. *“School” includes:*

~~1-1~~ (a) Any university, school or community college which is a part of the Nevada System of Higher Education, or any other university or college bearing the same or an equivalent accreditation.

~~1-2~~ (b) Any professional school or college licensed by the Nevada Commission on Postsecondary Education.

Sec. 6. NAC 645.404 is hereby amended to read as follows:

645.404 1. If a school has applied for and received the Commission’s approval to offer courses to meet requirements for licensure under chapter 645 of NRS, the school shall, as a condition of the approval:

(a) Maintain a record of each student's attendance and certification in any of those courses for 7 years after the student's enrollment and shall have such records open to inspection by the Division, upon its request, during the school's business hours.

(b) Upon a transferring student's request, furnish the school to which the student is transferring a copy of his or her attendance record and certification for each of those courses which he or she has completed.

(c) Upon a student's request, furnish the Division a transcript of the record of his or her grades and attendance.

2. A school that does not meet the definition of a "school" set forth in *paragraph (a) of subsection ~~H~~ 4* of NAC 645.400 must provide evidence to the Division that the school is licensed to operate by the Commission on Postsecondary Education.

Sec. 7. NAC 645.4442 is hereby amended to read as follows:

645.4442 1. Except as otherwise provided in subsection 2, each first-time licensee shall take a prescribed ~~postlicensing~~ course of *postlicensing* 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 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;

(d) 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 ~~[postlicensing]~~ course as ~~[an interactive or televideo]~~ a *distance education* 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-time licensee who ~~[:]~~ *complies with the requirements set forth in subsection 6 and 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-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-salesperson or real estate salesperson issued by the State of Nevada within the 5 years immediately preceding the date on which the first-time licensee obtained a license as a real estate salesperson; or

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

3. The ~~[postlicensing]~~ course *of postlicensing education* 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~~, *but not* 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 *whose license was issued before July 1, 2015*, 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~~ *a distance education* course that involves interaction with the instructor and other students.

6. A first-time licensee who satisfies the conditions set forth in paragraph (a), (b) or (c) of subsection 2 must successfully complete 24 hours of continuing education within the initial license period. The continuing education required pursuant to this subsection must include:

(a) Three 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) At least 12 hours of live instruction in which the licensee and the instructor are in the same room, except that a first-time licensee who lives in a rural area may, with the prior written approval of the Division, complete the required hours of continuing education in courses of distance education that involve interaction with the instructor and other students.

7. 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. 8. 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 or she~~ *the licensee* has met the requirements set forth in :

(a) NAC 645.4442 for the renewal of an initial license; or

(b) NAC 645.448 ~~[]~~ for any renewal subsequent to the first renewal of an initial license.

2. To reinstate a license which has been placed on inactive status, a person must provide the Division with proof that he or she has met the requirements set forth in ~~[NAC 645.448.]~~ *section 1 of this regulation.*

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.]~~

Sec. 9. NAC 645.448 is hereby amended to read as follows:

645.448 1. Except as otherwise provided in subsection 3, a real estate salesperson who wishes to renew his or her license must :

(a) If the license was issued before July 1, 2015, successfully complete at least 48 hours of continuing education at approved educational courses, seminars or conferences during the license renewal period. 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)]~~ (1) Three hours in the area of agency relationships;

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

~~[(c)]~~ (3) Three hours in the area of contracts; and

~~[(d)]~~ (4) Three hours in the area of ethics.

(b) If the license was issued on or after July 1, 2015, successfully complete at least 24 hours of continuing education at approved educational courses, seminars or conferences during the license renewal period. 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 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.

2. Except as otherwise provided in subsection 3, a real estate broker or real estate broker-salesperson who wishes to renew his or her license must :

(a) If the license was issued before July 1, 2015, successfully complete at least 48 hours of continuing education at approved educational courses, seminars or conferences during the license renewal period. 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)]~~ (1) Three hours in the area of agency relationships;

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

~~[(c)]~~ (3) Three hours in the area of contracts;

~~[(d)]~~ (4) Three hours in the area of ethics; and

~~[(e)]~~ (5) Three hours in the area of broker management.

(b) If the license was issued on or after July 1, 2015, successfully complete at least 24 hours of continuing education at approved educational courses, seminars or conferences during the license renewal period. Not less than 15 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 Nevada law with an emphasis on recent statutory and regulatory changes;

(3) Three hours in the area of contracts;

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

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

3. The requirements for continuing education set forth in ~~[(subsections 1 and 2)]~~ *this section* 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 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 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 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 24 of the hours must be devoted to ethics, professional conduct or the legal aspects of real estate, including:~~

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

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

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

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

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

~~[6.]~~ 5. 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.] in which the licensee and the instructor are in the same room, except that a licensee who lives in a rural area may, with the prior written approval of the Division, complete the required hours of continuing education in courses of distance education that involve interaction with the instructor and other students.~~

6. 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 licensee 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 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-salesperson or real estate salesperson issued by the State of Nevada within the 5 years immediately preceding the date on which the licensee obtained a license as a real estate salesperson; or~~

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

Sec. 10. 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
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
NAC 645.4442	250
NAC 645.448	250

For each
Offense

<i>Section 1 of this regulation</i>	250
NAC 645.455	500
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
Subsection 2 of NAC 645.806	1,000
Subsection 3 of NAC 645.806	250
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. 11. NAC 645.800 is hereby amended to read as follows:

645.800 1. A person who wishes to obtain a permit to engage in property management must submit to the Division:

(a) A completed application on a form prescribed by the Division;

(b) A fee of \$40; and

(c) A certificate of completion, in a form that is satisfactory to the Division, that indicates the person's successful completion of the 24 classroom hours of instruction in property management required by paragraph (a) of subsection 2 of NRS 645.6052.

2. The 24 classroom hours of instruction in property management required pursuant to paragraph (a) of subsection 2 of NRS 645.6052 must include, without limitation:

(a) Four hours of instruction relating to:

(1) Contracts for management services;

(2) Leases of real property;

(3) Applications to rent real property;

(4) The Fair Credit Reporting Act, 15 U.S.C. §§ 1681 et seq.; and

(5) The Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 ~~to 1692e, inclusive;~~ *et*

seq.;

(b) ~~Two~~ *Three* hours of instruction relating to the maintenance of records of money deposited in trust accounts and the requirements for reporting to the Division set forth in chapter 645 of NRS;

(c) One hour of instruction relating to the use of a computerized system for bookkeeping;

- (d) Two hours of instruction relating to the laws of this State governing property management;
- (e) ~~Two~~ **Three** hours of instruction relating to the disclosure of required information in real estate transactions, including, without limitation:
- (1) Disclosures required pursuant to NRS 645.252; and
 - (2) Disclosures related to environmental issues as governed by state and federal law;
- (f) Five hours of instruction relating to:
- (1) The Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.;
 - (2) The Residential Landlord and Tenant Act as set forth in chapter 118A of NRS;
 - (3) The Nevada Fair Housing Law as set forth in chapter 118 of NRS; and
 - (4) State and federal law governing unlawful discrimination based on sex, including, without limitation, sexual harassment;
- (g) ~~Three hours of instruction relating to property management for a common interest community as set forth in chapter 116 of NRS;~~
- ~~(h)~~ One hour of instruction relating to the duties and responsibilities of a real estate broker, including the supervision of employees and real estate salespersons and real estate broker-salespersons associated with the real estate broker;
- ~~(i)~~ **(h)** Two hours of instruction relating to risk management, including, without limitation:
- (1) The maintenance of real property;
 - (2) The health and safety of a tenant;
 - (3) Fire insurance;
 - (4) Rental insurance; and
 - (5) Disability insurance; and

~~[(j) Two]~~

(i) *Three* hours relating to the management of commercial property.

3. The Division may accept a course in property management from a nationally recognized or accredited organization to fulfill the requirements set forth in paragraphs (a), (b), (c), ~~[(h),]~~ (g), (h) and (i) ~~[and (j)]~~ of subsection 2, if the successful completion of that course would qualify the applicant to engage in property management pursuant to the requirements of that organization.

4. The applicant must complete the hours of instruction set forth in paragraphs (d), (e) ~~[(f)]~~ and (f) ~~[and (g)]~~ of subsection 2 at an accredited educational institution in this State.

5. A permit to engage in property management initially issued by the Division is effective on the date the application for the permit is submitted to the Division or the date on which the fee for the permit is paid, whichever occurs later.

6. As used in this section and paragraph (a) of subsection 2 of NRS 645.6052, the Commission will interpret the term “successfully completed” or “successful completion” to include, without limitation, passing an examination which is prepared and administered by an organization designated by the Division, with a score of at least 75 percent that:

(a) Includes the subject matter presented in the hours of instruction required pursuant to subsection 2; and

(b) Consists of at least 50 multiple-choice questions.

↪ The fee for the examination is \$75.

Sec. 12. NAC 645.802 is hereby amended to read as follows:

645.802 1. The Division may renew a permit to engage in property management if the holder of the permit submits to the Division:

(a) A request for the renewal of the permit with the holder's application to renew his or her license as a real estate broker, real estate broker-salesperson or real estate salesperson;

(b) A renewal fee of \$40; and

(c) Documentation of his or her successful completion of ~~[the requirements for continuing education required by paragraph (a) of subsection 4 of NRS 645.6052.~~

~~—2.— The hours of continuing education used to fulfill the requirements set forth in paragraph (c) of subsection 1 must include:~~

~~—(a) Instruction relating to any amendments to the laws of this State governing property management; and~~

~~—(b) If the holder of the permit is a manager of a common interest community pursuant to chapters 116 and 116A of NAC, 3 hours of instruction relating to the laws of this State that are applicable to the responsibilities and duties involved in the management of a common interest community.~~

~~—3.] :~~

(1) If the license was issued before July 1, 2015, 6 hours of instruction in property management, with 3 of those hours completed within the 2 years immediately preceding the date on which the holder's permit expires.

(2) If the license was issued on or after July 1, 2015, 3 hours of instruction in property management.

2. The renewal of a permit is effective on the date on which the application for renewal of a license is submitted to the Division or on the date on which the renewal fees for the license and the permit are paid, whichever occurs later.

~~[4.]~~ 3. A permit expires on the same date as the holder's license expires.

Sec. 13. NAC 645.915 is hereby amended to read as follows:

645.915 1. A permit expires on the same date as the license of the holder of the permit expires.

2. The Division may renew a permit if the holder of the permit submits to the Division:

(a) A request for the renewal of the permit with the application to renew his or her license;

(b) A renewal fee of \$40; and

(c) Documentation indicating that the holder of the permit has successfully completed ~~the continuing education required by paragraph (a) of subsection 4 of NRS 645.863.] :~~

(1) If the license was issued before July 1, 2015, 6 hours of instruction in engaging in the business of a business broker, with 3 of those hours completed within the 2 years immediately preceding the date of the request for renewal of the permit.

(2) If the license was issued on or after July 1, 2015, 3 hours of instruction in engaging in the business of a business broker.

Sec. 14. NAC 645.120 and 645.799 are hereby repealed.

TEXT OF REPEALED SECTIONS

645.120 Financial condition of applicant for license as real estate broker. (NRS 645.190, 645.400)

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 the person and require the person to submit to the Division the following financial information:

- (a) The person's current employer and the employer's address;
- (b) The person's checking accounts with amounts;
- (c) The person's savings accounts with amounts; and
- (d) Such other information concerning the 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.

645.799 Applicability of certain provisions regarding management of common-interest communities. (NRS 645.050, 645.190) A person who holds a permit and engages in the management of a common-interest community is subject to the provisions of chapter 116 of NRS and chapters 116 and 116A of NAC relating to managers of common-interest communities.