

NEVADA REAL ESTATE COMMISSION MINUTES

February 7, 2020

Nevada State Business Center
3300 W. Sahara Avenue, Nevada Room
Las Vegas, Nevada 89102

VIDEO CONFERENCE TO:

Division of Insurance
1818 College Parkway, Suite 103
Carson City, Nevada 89706

The meeting was called to order at 9:00 AM

1-A) Introduction of Commissioners in Attendance

Neil Schwartz, Clark County; Lee Gurr, Elko County; Devin Reiss, Clark County; Darrell Plummer, Washoe County and Lee Barrett, Clark County

Commission Counsel: Deputy Attorney General Asheesh Bhalla

1-B) Introduction of Division Staff in Attendance

In Las Vegas: Sharath Chandra, Administrator; Teralyn Lewis, Administration Section Manager; Evelyn Pattee, Commission Coordinator; Jan Holle, Chief Compliance Audit Investigator; Annalyn Carrillo, Education & Information Officer; Kimberly Smith, Education Supervisor; Susan Clark, Licensing Manager; Sandra Saenz, Licensing Supervisor.

In Carson City: Perry Faigin, Deputy Administrator.

2) Public Comment

Tony Amato and Bob Randolph, representing the Nevada Business Brokers Association, commented. Mr. Randolph stated that one of their goals is to get the Commission to recognize the law as it stands. Mr. Randolph stated that the statute states that an individual with a real estate license needs to have a business broker permit to sell businesses. Mr. Randolph stated that this is not what is happening in Nevada at this point.

Mr. Amato stated that business brokers have been having a problem with non-licensees coming into Nevada and marketing properties.

President Reiss stated that this matter can be added as a future agenda item.

Mr. Amato and Mr. Randolph submitted written public comment for the Commission to review. Damon Conklin, representing Marcus and Millichap Commercial Real Estate, commented. Mr. Conklin requested that the Commission review NAC 645.185(11) involving cooperative certificates. Mr. Conklin stated that there was confusion because there were no changes to that section included in the draft that was noticed. Mr. Conklin read his written public comment dated January 8, 2020 into the record. The Commission was provided with a copy of Mr. Conklin's written public comment.

Cindy Weber, representing ABC Real Estate School, commented. Ms. Weber provided the Commission with a printout from Dearborn's catalog. Ms. Weber stated that the document shows all states' requirements for pre-licensing, post-licensing, distance and continuing education. Ms. Weber read her written public comment into the record regarding delivery method of education. The Commission was provided with a copy of Ms. Weber's written public comment.

3) Regulation Workshop for Proposed Changes to NAC 645

Section 2

Teralyn Lewis read the section into the record.

Cindy Weber, representing ABC Real Estate School, commented on subsection 2. Ms. Weber stated that if the Real Estate Division offers distance education, the Division does not have to follow the regulation that says what distance education is defined as, completion of a final exam and interaction with the instructor. Ms. Weber stated that it seems like a stretch to her. Sharath Chandra stated that this proposed regulation is regarding Division sponsored courses. Mr. Chandra stated that those courses are tailored for specific topics where few courses are offered. Mr. Chandra stated that the intent is that the Division reaches as many licensees as possible. Mr. Chandra stated that it has always been a challenge for the Division to find an instructor to teach these courses in rural areas. Mr. Chandra stated that if there is an opportunity where the Division is challenged to find an instructor, the intent is to give the Division the ability to live stream courses. Mr. Chandra stated that the proposed change is very limited in scope and not meant to change the Commission's intent regarding live instruction.

Section 3

Teralyn Lewis read the section into the record.

Cindy Weber, representing ABC Real Estate School, commented. Ms. Weber stated that her school has had students who called about this matter. Ms. Weber stated that the Division told students that licensees had to take the four classes in the proposed changes half live in a classroom and half distance education. Ms. Weber asked if that would remain the same.

David Boyer commented. Mr. Boyer stated that later in the proposed changes there will be discussion regarding increasing requirements to renew a license and property manager permit. Mr. Boyer stated that for those who have reached a certain age and certain level of experience, the proposed changes are not cutting out those requirements. Mr. Boyer stated that some licensees will still be taking 21 to 24 hours of continuing education at a minimum to renew a license.

Sharath Chandra stated that the intent is if a licensee meets the requirements of NRS 645.575(3), the licensee only needs to complete 12 hours of continuing education in designated areas.

Norma Jean Opatik commented. Ms. Opatik stated that she does not agree with changes in Section 3. Ms. Opatik stated that she has taught classes for years and has taught licensees who would qualify under NRS 645.575(3) but did not know the basics. Ms. Opatik stated that her concerns are that only 12 hours continuing education will be required when continuing education has been increased to 36 hours. Ms. Opatik stated that all hours taken pursuant to this section should be taken in classroom so that questions can be asked and answered. Ms. Opatik stated that online classes would not be productive.

John Fuller, broker-salesperson, commented. Mr. Fuller asked if brokers or broker-sales licensees with permits must complete the broker management course.

Mr. Chandra stated that if a licensee meets the requirements of NRS 645.575(3), the proposed regulation changes would be all that must be done to renew a license. Mr. Chandra stated that questions regarding live education or distance education is for the Commission to consider. Mr. Chandra stated that any education tied to any permits held by the licensee, still require the licensee to complete the continuing education required to maintain those permits.

Tiffany Banks, representing Nevada Association of Realtors, commented. Ms. Banks stated that the passage of Senate Bill 230 from the 2019 Legislative Session is the reason for the proposed changes in this section. Ms. Banks stated that courses in the proposed changes listed are because the language that was used in Senate Bill 230 states “core classes”. Ms. Banks stated that until now there has not been a specific definition of “core classes”. Ms. Banks stated that the Realtors Association has been getting questions asking if this exemption is automatic. Ms. Banks stated that this proposed change is going to be a limited scenario for those who only want to take the courses listed. Ms. Banks stated that there are licensees who are 65 and over who want to take more education.

Kathleen Ray commented. Ms. Ray stated that brokers who have really been in the business can take as many classes as they want to until someone complains. Ms. Ray thanked the Commission and Division for this proposed change.

Section 4

Teralyn Lewis stated that section 4 on the proposed changes that was posted on January 10, 2020 has been amended by Division counsel. Ms. Lewis read the amended language into the record. Copies of the amendment were available for the Commission and the public.

Tiffany Banks commented. Ms. Banks stated that the amended language addresses issues that the Realtors Association had.

Norma Jean Opatik asked if there was a definition for “nicknames”. Ms. Opatik stated that a licensee could use a totally different name than what is on their identification or real estate license and still advertise if their license number is on the advertisement. Ms. Opatik asked if documents signed by the licensee throughout the transaction would be signed using the nickname or the name on the license. Ms. Opatik stated that this would be confusing to the client.

Asheesh Bhalla, Commission Counsel, read the definition of a nickname from Black's Law Dictionary.

Sharath Chandra stated that the intent of the proposed change is to allow licensees to advertise in a manner that best suits their business. Mr. Chandra stated that in the interest of the public, the Division can identify that person by the license number on their advertisement. Mr. Chandra stated that the parameters as far as advertising under a nickname are in the proposed regulation change. Mr. Chandra stated that the Division wants to be sure that when the Compliance section receives a complaint, the licensee can be identified. Mr. Chandra stated that signing a legal document is not in the scope of this language.

Norma Jean Opatik stated that this change could cause a lot of issues and a few more restrictions should be made before adopting the language.

Tiffany Banks thanked the Division for working with the Nevada Association of Realtors to adopt regulations that are reflected in Senate Bill 230. Ms. Banks stated that the discussion regarding Senate Bill 230 was how can licensees advertise using nicknames such as Ron for Ronald. Ms. Banks stated that there are few cases where a licensee uses a different name that has nothing to do with their name. Ms. Banks stated that the majority of the time it is a shortened name or a nickname reflective of what the licensee has gone by their whole lives. Ms. Banks stated that the best solution was to have the license number required on all advertising. Ms. Banks stated that this is not regarding the signing of legal documents.

Myles Timmons commented. Mr. Timmons stated that he has used a nickname for a long time. Mr. Timmons stated that he got a fictitious name filed with the county. Mr. Timmons stated that he goes by "Tim".

Keith Kelley commented. Mr. Kelley stated that he believes the intent was for the nickname to be close to the actual name. Mr. Kelley stated that he believes that this is in response to some licensees who had long Asian names but were known by a more common name because their actual name was too long to be understood.

Section 5

Teralyn Lewis read the section into the record.

No public comment.

Section 6

Teralyn Lewis read the section into the record.

No public comment.

Section 7

Teralyn Lewis read the section into the record.

Damon Conklin commented. Mr. Conklin stated that he recommends the Commission consider striking subsection 11. Mr. Conklin stated that when looking at other occupations that require continuing education such as structural engineers, architects, subcontractors, general contractors or attorneys; those occupations are not held to the same highly restrictive standard.

Kathleen Ray commented that this regulation might want to address if the broker representing a home builder which would be representing an entire subdivision of homes or properties. Ms. Ray asked if a licensee could have a cooperative certificate with an out of state broker to help market and sale that subdivision of homes.

Asheesh Bhalla, Commission Counsel, stated that this section is included in the proposed changes to regulation due to the order in Case No. 18OC000411B from the First Judicial District Court for the State of Nevada which ordered that the Commission determine the validity of the cooperative certificate regulatory framework and apply that determination to further decisions consistent with the order.

Section 8

Teralyn Lewis read the section into the record.

No public comment.

Section 9

Teralyn Lewis read the section into the record.

David Boyer commented. Mr. Boyer stated that exams have more than one section. Mr. Boyer stated that the first time he took the real estate exam, he got 99 out of 100 correct on the general portion and only 20 of 30 correct on the State portion. Mr. Boyer stated that at that time, it was 70% on both sections or you would have to take the entire exam over. Mr. Boyer stated that someone could know nothing about State law and pass the exam.

Sharath Chandra stated that this proposed change is clean up language and doesn't change the way exams are currently administered. Mr. Chandra stated that someone must pass the exam with 75% on the national exam and 75% on the State exam.

Norma Jean Opatik stated that the language needs to be better defined that an individual must pass by 75% on each portion of that exam because an attorney would argue the proposed language.

Section 10

Teralyn Lewis read the section into the record.

Keith Lynam thanked the Division for all the work done on Senate Bill 230. Mr. Lynam stated that one of the discussion points that was had with the Administrator of the Division was completion of post-licensing before a licensee can write a contract without broker supervision. Mr. Lynam stated that the recording and tracking of post-licensing would not change from what the Division is doing now.

Mr. Lynam stated that it was never the intention to create property manager, business broker or any other permit education for a licensee who did not have those permits.

Kathleen Ray asked how licensees are supposed to provide proof of compliance to the Division.

Sharath Chandra stated that the proposed change was added because the requirement to show compliance was only in regulation for continuing education and not post-licensing education. Mr. Chandra stated that the process has not changed.

Section 11

Teralyn Lewis read the section into the record.

No public comment.

Section 12

Teralyn Lewis read the section into the record.

No public comment.

Section 13

Teralyn Lewis read the section into the record.

No public comment.

Sharath Chandra stated that renumbered subsection 6 will be stricken. Mr. Chandra stated that this language is tied into the submittal of mid-term continuing education.

Section 14

Teralyn Lewis read the section into the record.

No public comment.

Section 15

Teralyn Lewis read the section into the record.

No public comment.

Section 16

Teralyn Lewis read the section into the record.

No public comment.

Section 17

Teralyn Lewis read the section into the record.

No public comment.

Section 18

Teralyn Lewis read the section into the record.

No public comment.

Section 19

Teralyn Lewis read the section into the record.

No public comment.

Section 20

Teralyn Lewis read the section into the record.

No public comment.

Section 21

Teralyn Lewis read the section into the record.

Ron Ruthe commented. Mr. Ruthe stated that sections 20 and 21 looks like the Commission is losing their authority to do anything. Mr. Ruthe stated that there is no appeal to the Commission.

Sharath Chandra stated that the appeal process to the Commission still exist. Mr. Chandra stated that this change was to take away work from the Commission. Mr. Chandra stated that Commission meetings are scheduled for three days and has full agendas with disciplinary action, discussions on current trends and education requirements. Mr. Chandra stated that the mundane approval processes will be given to the Division with authority from the Commission.

Section 22

Teralyn Lewis read the section into the record.

Steven Kitnick commented on “furnishing”. Mr. Kitnick asked if there needed to be clarity on the manner of furnishing. Mr. Kitnick stated that he has been providing physical handouts but in recent times the Division have been providing access by allowing people to download course materials.

Section 23

Teralyn Lewis read the section into the record.

Cindy Weber commented. Ms. Weber stated that this is talking about principles, practice, ethics, law and procedures which is typically a 90 hours course. Ms. Weber stated that then there is talk of 3 semester hours. Ms. Weber stated that it is not consistent with the hours.

Sharath Chandra stated that the proposed change was language stricken and re-numbering the sections due to changes in statute from Senate Bill 230.

Section 24

Teralyn Lewis read the section into the record.

Tiffany Banks commented. Ms. Banks stated that the Commission was provided with a copy of the Association’s suggested changes. Ms. Banks stated that she is aware that Senate Bill 230 includes language that says at least 15 hours in the preparation of contracts and at least 15 hours

of instruction on agency. Ms. Banks stated that section 2(a)(1) of the proposed regulation includes brokerage and laws of agency at 21 hours. Ms. Banks stated that the Association's suggestion is to put under section 2(a)(1) "which must include 3 hours in the following areas: (1) Foundation of broker/agent relationships; and (2) Property management and leasing".

Steven Kitnick commented that he does not see where there is a provision for online pre-licensing education.

John Lindberg commented. Mr. Lindberg suggested that the subject of cyber security be addressed in terms of required learning for all licensees. Mr. Lindberg stated that the issue of cyber security has become huge. Mr. Lindberg stated that he has an approved class for ethics credits and has been teaching classes for about 9 months. Mr. Lindberg stated that these are simple principles that people do not understand. Mr. Lindberg stated that he would like the Commission to consider 3 hours in cyber security because everyone in real estate carries devices without the understanding of how those devices can be hacked.

Margaret Finel, representing mid-level Realtors and several members of different professional standards committees in the North, commented. Ms. Finel stated that the allocation of the extra hours is concerning. Ms. Finel stated that her organization sees a lot of complaints come in and her organization thinks there should be more education required in the categories of professional standards training. Ms. Finel stated that her organization feels these courses are important and should be required for all members to go through.

Forrest Barbee, representing Berkshire Hathaway Nevada Properties, commented. Mr. Barbee stated that one of the biggest problems is supervision. Mr. Barbee stated that adding 30 hours by itself across the board for sales licensees and broker-sales licensees is not the answer. Mr. Barbee stated that the supervision has not been addressed. Mr. Barbee stated that broker-sales and broker licensees are disenfranchised because of the 45 hours required broker management course but do not receive credit for that in terms of the licensing process and therefore do not receive reciprocity for that. Mr. Barbee stated that broker-sales licensees are not going to supervise licensees that are doing property management and commercial. Mr. Barbee stated that the Commission can get to 145 or 180 hours if the broker management course is used and a program is created for broker-sales and broker licensees that will give them supervisory skills.

Robyn Yates, representing Windermere Prestige Properties, commented on subsection 2(d)(2). Ms. Yates stated that the City of Henderson has passed the ability for owners, under certain circumstances, to rent their properties out short term. Ms. Yates suggested that the Commission consider dividing the education for both tenant long term property management and short-term property management. Ms. Yates stated that commercial leasing is another aspect. Ms. Yates suggested three different types of property management be required.

Section 25

Teralyn Lewis read the section into the record.

No public comment.

Section 26

Teralyn Lewis read the section into the record.

No public comment.

Section 27

Teralyn Lewis read the section into the record.

No public comment.

Section 28

Teralyn Lewis read the section into the record.

No public comment.

Section 29

Teralyn Lewis read the section into the record.

No public comment.

Section 30

Teralyn Lewis read the section into the record.

No public comment.

Section 31

Teralyn Lewis read the section into the record.

Sharath Chandra stated that the language stricken in subsection 2 was done because subsection 6 was stricken. Mr. Chandra stated that the last section of the proposed regulation will also need to be stricken because it is language from when the four-year licensing mid-term continuing education was in effect.

Tiffany Banks commented. Ms. Banks stated that the Association was considering changes to statute that would require the completion of post-licensing education prior to writing a real estate contract. Ms. Banks stated the proposed language would be: "Each first-time licensee shall only write a contract under the direct supervision of their broker or their broker's designated agent prior to completing their initial post-licensing". Ms. Banks stated that the Association believes in stronger broker supervision.

Forrest Barbee commented. Mr. Barbee stated that the challenge that he has with Ms. Banks' proposal is NRS 645.257 which establishes the standard of care as having been nothing more than passing the exam. Mr. Barbee stated that he is not opposed to Ms. Banks' proposal but maybe a different category of licensee needs to be created for those individuals as other state's do exempting those licensees from NRS 645.257.

Tiffany Banks stated that the Association's thought is that there would be a specific module on contracts.

Steven Kitnick commented. Mr. Kitnick stated that he likes the idea of education on contract writing.

Victoria Williams, managing broker of a Coldwell Banker office in Carson City, commented. Ms. Williams stated that she personally requires that her agents meet with her to write their first offer. Ms. Williams stated that she supports the proposed changes requiring more training in contracts.

Norma Jean Opatik commented. Ms. Opatik commented that from a Division standpoint, if this post-licensing education in contracts is required before writing the first contact, who would be responsible for reporting. Ms. Opatik stated that she would not like to see a new licensing program because that takes too long.

Tiffany Banks commented. Ms. Banks stated that the Division's enforcement has been taken into consideration. Ms. Banks stated that a suggestion would be for a broker to sign an affidavit or form that would be submitted to the Division.

Keith Lynam commented. Mr. Lynam stated that the intent of Senate Bill 230 was to raise the level of professionalism. Mr. Lynam stated that nothing needs to change from the standpoint of how licensees report the finalizing of their post-licensing education. Mr. Lynam stated that it is up to the broker and the salesperson to be responsible to get post-licensing education completed.

Sharath Chandra stated that the Division has a budget that the Division must stay under so there are a couple of concerns. Mr. Chandra stated that during the statutory process the idea was to increase the pre-licensing education so that when a licensee receives their license, the licensee can do a transaction. Mr. Chandra stated that during the legislative session there was a suggestion that at some point there might be a requirement to do additional education before starting a transaction. Mr. Chandra stated that once a person receives their license, the licensee should be able to conduct business. Mr. Chandra stated that additional requirements create a compliance burden on the Division. Mr. Chandra stated that the simple goal is a pre-licensing education requirement designated for contracts.

Steven Kitnick commented. Mr. Kitnick stated that he supports Mr. Chandra's comments. Mr. Kitnick stated that the Commission should look into what is being taught in pre-licensing education.

Section 32

Teralyn Lewis read the section into the record.

No public comment.

Section 33

Teralyn Lewis read the section into the record.

Kathleen Ray commented. Ms. Ray asked that anytime the regulation says "notify the Division" or "submit to" can it state how to notify or submit.

Section 34

Teralyn Lewis read the section into the record. Ms. Lewis stated that the Division would like for subsection 5 to be stricken in its entirety because it refers to four-year licensing midpoint continuing education.

Tiffany Banks commented. Ms. Banks stated that some members feel that no education for property management is needed and some members think 3 hours of continuing education would be helpful. Ms. Banks stated that a solution would be to create a course for risk reduction. Ms. Banks stated that issues within the industry stem from licensees overstepping into an area they don't know much about. Ms. Banks recommended that the regulation require 3 hours of risk reduction to include all issues licensees face including property management.

David Boyer commented. Mr. Boyer stated that he is concerned because if he decided to drop his property manager permit and renew his broker-sales license, because he is 65 years old and has 30 years of experience; Mr. Boyer will not have to take 6 hours of broker management or 3 hours of property management. Mr. Boyer stated that he does not think this is the direction the industry wants to go in when protecting the public.

Mike Nolan, broker and instructor in northern Nevada, commented. Mr. Nolan stated that he is in favor of Ms. Banks' comments regarding a risk reduction course. Mr. Nolan stated that he does not favor the property management course for those who do not have a property manager permit. Mr. Nolan stated that as the requirements for core courses increases, the general education courses are reduced. Mr. Nolan stated that the general section of education is where courses regarding areas of professionalism could be taken. Mr. Nolan stated that the ability to have courses to increase professionalism is important.

Forrest Barbee commented. Mr. Barbee stated that he agrees with Ms. Banks' recommendation regarding a risk reduction course. Mr. Barbee stated that other categories such as disclosures and fair housing would breathe life into fresh content.

John Lindberg commented. Mr. Lindberg stated that cyber security is important for continuing education and should be addressed.

Anthony Keep commented. Mr. Keep stated that in addition to an enhanced understanding of risk reduction, there should be a deeper understanding of how to deal with financing, title and escrow issues.

Wendy Divecchio commented. Ms. Divecchio stated that when making it mandatory for licensees who do not have property manager permits to take 3 hours of property management might cause the licensee to cross over and think they are experts. Ms. Divecchio stated that there are so many problems with professionalism and would think that ethics would be at the top of the list versus having licensees take a property management course.

Norma Jean Opatik commented. Ms. Opatik stated that she has always avoided something that could make licensees think that they are an expert in an area that would have them operate outside their area of expertise. Ms. Opatik stated that the pitfalls of property management could be taught.

John Fuller commented. Mr. Fuller stated that licensees serve the public and the more education the better.

Forrest Barbee commented. Mr. Barbee stated that new agents gravitate towards taking rental listings and don't differentiate between rental listings and property management. Mr. Barbee stated that Division Informational Bulletin #12 is not helpful and almost opens a door for an agent to unwittingly do activities that are crossing the line into property management.

Section 35

Teralyn Lewis read the section into the record.

No public comment.

Section 36

Teralyn Lewis read the section into the record.

Mike Nolan commented on subsection 3. Mr. Nolan stated that in the past there was a way for an expert to be brought into the class. Mr. Nolan asked if that is still available.

President Reiss stated that it is still available.

Section 37

Teralyn Lewis read the section into the record.

No public comment.

Section 38

Teralyn Lewis read the section into the record.

No public comment.

Section 39

Teralyn Lewis read the section into the record.

Mike Nolan commented. Mr. Nolan stated that there is an issue trying to get Division sponsor courses to rural areas. Mr. Nolan stated that there should be some flexibility and budgeting or do the courses by video feed.

Section 40

Teralyn Lewis read the section into the record.

No public comment.

Section 41

Teralyn Lewis read the section into the record.

Tiffany Banks commented. Ms. Banks recommended that the responsible broker's license number not be on advertisements to eliminate confusion. Ms. Banks stated that the Association will be putting together best practices for members regarding license numbers on advertisements.

Norma Jean Opatik commented. Ms. Opatik stated that she would like there to be generic signage with just the brokerage name and the phone number to the brokerage.

Keith Kelley commented. Mr. Kelley asked about generic open house signs that are placed on the streets. Mr. Kelley asked if the name badges that agents wear would need their license number on it.

John Lindberg commented. Mr. Lindberg stated that some online issues should be considered in this section that would limit what people can do to create listing pages to generate Google results based on an agent's name.

Section 42

Teralyn Lewis read the section into the record.

No public comment.

Section 43

Teralyn Lewis read the section into the record.

Richard Schock commented. Mr. Schock recommended adding language to include office locations and gated communities if the office is in compliance with the CC&R's of the homeowner association.

Section 44

Teralyn Lewis read the section into the record.

No public comment.

Section 45

Teralyn Lewis read the section into the record.

No public comment.

Section 46

Teralyn Lewis read the section into the record.

No public comment.

Section 47

Teralyn Lewis read the section into the record.

No public comment.

Section 48

Teralyn Lewis read the section into the record.

No public comment.

Section 49

Teralyn Lewis read the section into the record.

No public comment.

Section 50

Teralyn Lewis read the section into the record.

No public comment.

Section 51

Teralyn Lewis read the section into the record.

No public comment.

The workshop closed at 12:25 p.m.

4-A) For possible action: Discussion and decision regarding proposed changes, additions and deletions to NAC 645 including, but not limited to, review public comment from the regulation workshop held February 7, 2020.

Section 2

Commissioner Schwartz commented on subsection 3. Commissioner Schwartz stated that people attending the course would not get continuing education credit only the instructor teaching the course. Commissioner Schwartz asked if attendees could get continuing education credit.

Sharath Chandra stated that the instructor would receive continuing education credit for instructing the course.

Commissioner Gurr stated that the confusion lies in the last four words of subsection 3. Commissioner Gurr stated that the language appears to state that instructors attending the instructor development course can receive continuing education for attending that course.

Commissioner Schwartz stated that the Division wants to encourage approved instructors to attend the instructor development course. Commissioner Schwartz stated that the attendance has not been great.

Mr. Chandra stated that the Division will edit the language so that the intent is to allow for continuing education credits for instructors teaching Division sponsored courses.

Commissioner Plummer stated that he supports changes to section 2.

Commissioner Gurr moved to move forward with the recommendation to edit the language in subsection 3 to make it clear for continuing education credits to instructors. Seconded by Commissioner Schwartz. Motion passed.

Section 3

Sharath Chandra stated that regardless of your license type, taking the core classes listed in the proposed changes meet the continuing education requirements for renewal of a license if you meet the requirements of NRS 645.575(3)(a). Mr. Chandra stated that if a licensee has a property manager permit or a business broker permit, licensee is required to complete the continuing education requirements for renewal of those permits.

Commissioner Schwartz asked if half of the continuing education could be live and half of the continuing education could be by distance education.

Commissioners Barrett and Gurr stated that they do not feel that the method should change.

Mr. Chandra agreed.

President Reiss stated that he would like to add the requirement for a broker-salesperson or broker to complete 3 hours broker management.

Commissioner Barrett moved to approve the proposed language with the addition of 3 hours of broker management if the licensee is licensed as a broker or broker-salesperson. Seconded by Commissioner Gurr. Motion passed.

Section 4

Commissioner Schwartz moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 5

Commissioner Schwartz moved to approve. Seconded by Commissioner Gurr. Motion passed.

Section 6

Commissioner Schwartz moved to approve. Seconded by Commissioner Gurr. Motion passed.

Section 7

Asheesh Bhalla stated that this section is included in the proposed changes because of a State court order. Mr. Bhalla read the Federal court order issued in July 2019 into the record. Mr. Bhalla stated that the Federal court has reviewed the regulatory framework and stated that it is constitutional. Mr. Bhalla stated that pursuant to the State court order, the Commission is required to deliberate and discuss the validity of NAC 645.185.

Commissioner Barrett stated that the federal case gives clarity and quotes actual case law. Commissioner Barrett stated that the order supports the regulation and how it was drafted. Commissioner Barrett stated that states' have the right to take care of their own commerce.

Commissioner Gurr stated that it does not matter how good an out of state licensee is, that individual must know the market.

Commissioner Schwartz moved to approve. Seconded by Commissioner Gurr. Motion passed.

Section 8

Commissioner Schwartz moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 9

Sharath Chandra stated that the problem is the word “section”. Mr. Chandra stated that there are two separate tests: State exam and national exam. Mr. Chandra stated that 75% is per examination.

Commissioner Gurr stated that she is concerned with the potential for confusion by someone thinking that they get 75% overall on the two different exams and the Division and Commission being challenged.

Commissioner Barrett moved to approve. Seconded by Commissioner Schwartz. Motion passed.

Section 10

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 11

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 12

Commissioner Gurr moved to approve. Seconded by Commissioner Schwartz. Motion passed.

Section 13

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr with the deletion of new subsection 6. Motion passed.

Section 14

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 15

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 16

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 17

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 18

Commissioner Schwartz moved to approve. Seconded by Commissioner Gurr. Motion passed.

Section 19

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 20

Commissioner Gurr moved to approve. Seconded by Commissioner Schwartz. Motion passed.

Section 21

Commissioner Gurr stated that there was public comment regarding the right to appeal.

Teralyn Lewis stated that the right to appeal is in NAC 645427(4).

Commissioner Gurr stated that she would like the proposed language in subsection 1(d) to be the same as the language in subsection 1(a).

Commissioner Gurr moved for approval with that change. Seconded by Commissioner Barrett. Motion passed.

Section 22

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr.

President Reiss stated that the only comment was regarding the word “furnishing” in subsection 1(b).

Sharath Chandra stated that the manner in which the material is furnished is irrelevant and done based on the instructor.

Motion passed.

Section 23

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr. Motion passed.

Section 24

Commissioner Gurr stated that there was a comment regarding subsection 1(b). Commissioner Gurr stated that she likes the suggested language “the equivalent in a correspondence, distance education, extension course or any combination thereof”. Commissioner Gurr asked if there was a possibility that a provider would have some in-class education and distance education.

Sharath Chandra stated that the course doesn't have to be one or the other. Mr. Chandra stated that the Division is flexible.

Commissioner Gurr suggested that “correspondence” be changed to “distance education”. Commissioner Gurr stated that would cover online courses as well.

Commissioner Schwartz commented on subsection 2(c). Commissioner Schwartz asked what would be taught during the 15 hours of contract preparation course. Commissioner Schwartz

stated that since there are multiple types of contracts, would schools in a particular area have the ability to teach about contracts in that area.

President Reiss stated that not everyone is a Realtor with contracts that are provided by an Association.

Commissioner Gurr agreed with Commissioner Schwartz. Commissioner Gurr stated that in the past, courses were being taught in the rural area regarding contracts that did not apply. Commissioner Gurr stated that rural licensees were taking the course for the hours and not the content.

Sharath Chandra stated that when curriculum for contracts courses are submitted to the Division, Division staff will review the content and possibly bring courses before the Commission for discussion. Mr. Chandra stated that when the Division gets a better idea of the content being presented, the Commission can weigh in.

Commissioner Gurr commented on subsection 2(d)(2) regarding property management and leasing. Commissioner Gurr stated that she is in favor of the Nevada Realtors Association's suggestion that subsection 2(d)(2) be changed to risk reduction including but not limited to property management, leasing and cyber security. Commissioner Gurr stated that pre-licensing is a good place to start teaching these subjects.

Asheesh Bhalla suggested changing "cyber security" to "information security".

Commissioner Barrett moved to approve the proposed changes with modifications to subsections 1(b) and 2(d)(2). Seconded by Commissioner Schwartz. Motion passed.

Section 25

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr. Motion passed.

Sections 26-30

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr. Motion passed.

Section 31

Sharath Chandra stated that the changes made to this section are due to the elimination of 4-year licensing. Mr. Chandra stated that the only other change was to delete subsection 7.

Commissioner Barrett moved to approve the proposed changes and to include the deletion of subsection 7. Seconded by Commissioner Gurr.

President Reiss stated that there were comments that before writing a contract, post-licensing would have to be complete.

Commissioner Gurr asked how a broker would prove that a licensee who has written a contract under his or her direct supervision completed post-licensing education. Commissioner Gurr stated that she does not see a place in this section of the regulation where it is appropriate to place that restriction.

Commissioner Barrett stated that if the Commission is going to go down this road, there should be a change to the statute stating that for the first-year brokers are required to provide a detailed analysis of what that licensee has done.

President Reiss stated that this goes back to the responsibility of the broker and what the broker is doing to supervise their licensees.

Commissioner Plummer agreed with President Reiss. Commissioner Plummer stated that forms are changing every year. Commissioner Plummer stated that offers are uniquely designed by the person writing the offer.

Motion passed.

Section 32

Commissioner Gurr moved to approve with edits to the numbered subsections in section 3. Seconded by Commissioner Barrett. Motion passed.

Section 33

Commissioner Gurr asked how the sponsor would notify the Division.

Sharath Chandra stated that communication to the Division is by phone, email or by mail.

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr. Motion passed.

Section 34

President Reiss stated that the biggest concern is regarding subsection 1(a)(5) and if there should be 3 hours of property management added at this point. President Reiss stated that most comments have been that if a licensee does not have a property manager permit, why be required to take 3 hours of property management. President Reiss stated that there are other credit hours that would be more beneficial to a licensee than property management.

President Reiss stated that he would like an agenda item for the next Commission meeting regarding the list of criteria that fall under general continuing education. President Reiss stated that it was time to look at that criteria and revise it.

Commissioner Barrett stated that he believes that continuing education concerning property management is important. Commissioner Barrett stated that disciplinary action that comes before the Commission is mostly regarding property management. Commissioner Barrett stated that he is going to vote to keep 3 hours of property management as proposed.

Commissioner Gurr suggested adding an additional 3 hours of risk reduction. Commissioner Gurr stated that she agrees with Commissioner Barrett. Commissioner Gurr stated that there should be more education on risk reduction for licensees. Commissioner Gurr stated that licensees need to know about records management, errors and omissions insurance and information security.

President Reiss stated that subsections 1(a)(5) and 2(a)(6) should be changed to 3 hours in the area of risk reduction. President Reiss stated that when the Commission revisits this regulation, the Commission can review the designation for risk reduction and discuss the subject matter that should go into risk reduction. President Reiss stated the subject matter should include discussions on pitfalls of property management without a permit, short-term rentals and a list of other criteria.

Commissioner Plummer moved to approve the substitution of risk reduction instead of property management. Seconded by Commissioner Barrett.

Commissioner Gurr asked for an amendment to remove subsection 5 in its entirety.

Commissioners Plummer and Barrett agreed to the amendment. Motion passed.

Sections 35-38

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr. Motion passed.

Sections 39-40

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 41

Commissioner Barrett asked if the broker's license number has to be on generic yard signs.

President Reiss stated that he would require a licensee with his company to have a sign rider that has the licensee's license number on it for a generic yard sign.

Commissioner Gurr asked how many real estate brokerages can't be found by the name of the brokerage. Commissioner Gurr stated that she disagrees with adding the broker's license number on a sign.

President Reiss stated that the proposed regulation is acceptable. President Reiss stated that the Division needs to come up with best practices which specify how to handle license numbers on advertisement.

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Sections 42-46

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

Section 47

Commissioner Schwartz asked the reason for the increase in the number of hours.

Sharath Chandra stated that the statute allows for a minimum of 3 hours. Mr. Chandra stated that there have been a lot of property management issues.

Commissioner Barrett moved to approve. Seconded by Commissioner Gurr. Motion passed.

Sections 48-51

Commissioner Gurr moved to approve. Seconded by Commissioner Barrett. Motion passed.

5) Public Comment

John Fuller commented. Mr. Fuller stated that if someone goes to look at an agent on the roster, the broker's name shows up there also. Mr. Fuller stated that if there is a problem with the agent, the broker gets notified immediately.

Janet Carpenter commented. Ms. Carpenter stated that her agents are compliant with having their license number on almost everything. Ms. Carpenter asked what information goes before the "BS" on her license number.

Michelle Roper commented on the changes to pre-licensing education. Ms. Roper stated that contracts from the different associations are proprietary forms. Ms. Roper stated that approval would have to be given to release those forms because those forms would be given to the general public. Ms. Roper stated that Tiffany Banks recommended teaching using a generic contract but what good would that do licensees if they will never encounter that contract.

Ms. Roper stated that the section regarding post-licensing education states that the licensee cannot repeat the content or course work required to meet the educational requirement for an original license. Ms. Roper stated that section 4(a) states "include real estate contracts including writing and presenting a purchase agreement". Ms. Roper stated that it is a little redundant.

6) Adjournment

Meeting adjourned on February 7, 2020 at 1:30 pm.