

**NOTICE OF INTENT TO ACT UPON A REGULATION**  
**NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT OR**  
**REPEAL OF REGULATIONS OF THE NEVADA REAL ESTATE**  
**COMMISSION**  
**LCB FILE No. R097-14**

The Nevada Real Estate Commission will conduct a public hearing at **1:00 p.m. on Tuesday, December 15, 2015, at the Nevada Department of Employment, Training and Rehabilitation 2800 E. St. Louis Ave, Conference Rooms A-C, Las Vegas, Nevada 89104 with video conference to the Nevada Department of Employment, Training and Rehabilitation 500 East Third Street, Carson City, Nevada 89713.** The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to Chapter 645 of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.060:

**Information Regarding Adoption**

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

1. Purpose and need of the proposed regulations

The purpose and need for LCB File No. R097-14 Section 1 is due to applicants having difficulty receiving experience verification from a broker for various reasons. This amendment would allow for a designated supervising manager of an office to verify the experience of an applicant/licensee.

The purpose and need for amendments to Section 2 assures that the Real Estate Division is furnished with the proper information from an individual who wants to hold an out-of-state cooperative broker certificate in Nevada proving that the individual is licensed and in good standings in another state since the Nevada broker is responsible for the activities of the out-of-state broker.

Section 3 eliminates the misuse of out-of-state cooperative broker certificates. Out-of-state cooperative broker certificates have been used to set up franchise offices out-of-state to conduct brokerage businesses in other states which are not the intended use for a cooperative certificate. Limiting the certificate to a single and particular transaction and timeframe would correspond with other temporary licenses under the Division's jurisdiction.

The need for Sections 5-7 and 9 addresses a loop hole for distance education providers who claim reciprocity for their approval in another state.

Section 8 clarifies conflicting language in law concerning broker management pre-licensing education.

Section 10 clarifies that student evaluations and an investigation conducted by the Division are grounds for the Administrator to withdraw approval of a course.

Section 11 clarifies that a course will not be automatically approved if there is material change to the course.

Section 12 clarifies that a sponsor must only electronically submit the roster of students who met the requirements to have completed a course.

Section 13 contains corrections to address the electronic submittal of course rosters.

Section 14 addresses expansion of topics reflecting the changes in the real estate market and broadens areas that were not previously included.

Section 15 gives the Division authority to approve continuing education courses lessening the timeframe that it takes an education sponsor to receive approval and sets forth an appeal process.

Section 16 clarifies to licensees that a continuing education course can only be taken once during a single licensing period.

Section 17 changes was necessary when 4-year licensing was in effect but might not need to be addressed since the 2015 Legislative Session changed the licensing period back to 2-year licensing.

Section 18 is needed to address trust account problems and embezzlement. This change will aid in monitoring compliance and averting commingling and embezzlement of funds held in trust.

## 2. Terms of the proposed regulations

- Revising provisions relating to the verification of experience of certain licensees;
- Revising provisions relating to an application for, and use of, a cooperative certificate;
- Revising provisions relating to applications for the approval of educational courses for original licensing;
- Exempting certain schools from requiring preapproval before offering a course in broker management under certain circumstances;
- Revising provisions relating to schools from which the Real Estate Commission will accept certain courses without preapproval of the school;

- Revising provisions setting forth the circumstances under which the Real Estate Administrator may withdraw approval of a course;
- Revising provisions relating to the re-approval of an approved course;
- Revising provisions relating to a student's completion of a course and proof thereof;
- Revising provisions relating to post licensing education;
- Revising provisions relating to the standards for, and approval of, courses of continuing education;
- Prohibiting certain persons from receiving credit for completing a course;
- Revising provisions relating to annual accounting by brokers who maintain trust accounts; and
- Providing penalties.

### 3. Estimated Economic Effect

#### (a) Adverse effects:

Amendments to section 3 of the proposed regulation would change the validation of a cooperative certificate to one transaction per year per certificate. This would require out-of-state brokers who intend on doing multiple transactions in Nevada to file multiple applications and pay application fees for each transaction instead of submitting one application and paying a single application fee per year.

#### (b) Beneficial effects:

Amendments to section 1 of the proposed regulation would allow a broker-salesperson who is acting as a manager of a principal or branch office the authority to verify the experience of an applicant/licensee. This amendment would assist licensees whose previous brokers are unavailable, deceased or not willing to communicate with the licensee. This would reduce the burden on licensees who need their experienced verified to change their license.

Amendments to section 15 are beneficial to education sponsors because the current timeframe for approval by the Commission is based on when the next Commission meeting is scheduled which is usually quarterly. The Division approving continuing education courses would be more timely and efficient.

#### (c) Immediate effect:

Changes to section 1 of the proposed regulation would immediately effect licensees who seek to apply for a broker-salesperson license yet have been delayed because of their inability to locate a previous broker to verify experience or the previous broker is deceased.

Changes to section 3 of the proposed regulation would immediately effect out of state brokers and Nevada brokers who apply for one cooperative certificate per year and conduct multiple transactions. Out of state brokers

would incur additional fees and waiting for the application to be processed by the Division could possibly delay the transaction.

Changes to section 10 of the proposed regulation immediately effect sponsors of an approved course. Amendments to this section would allow the Administrator to withdraw approval of a course pursuant to student evaluations, an audit or investigation conducted by the Division. The current regulation only allows the Administrator to withdraw approval based only on an audit which limits the Division.

Changes to section 11 of the proposed regulation immediately effect approved course sponsors conducting courses in updates to law and legislation. Law and legislation courses are only relevant for not more than two years. Sponsors for these courses would only be reapproved once by the Division requiring course sponsors to come before the Commission once every two years to have law and legislation courses approved.

Changes to section 15 of the proposed regulation would give the Division authority to approve continuing education courses and sets forth the appeal process for denial by the Division. This proposed change immediately effect education sponsors because the current timeframe for approval by the Commission could be from three to five months. The Division approving continuing education would be more timely and efficient instead of the sponsor having to wait for the next scheduled Commission meeting for a decision.

Changes to section 18 of the proposed regulation immediately effect brokers. The amendments to this section clarifies when it is necessary for a broker to provide a trust reconciliation to the Division and what a broker must submit to the Division if a broker is not practicing property management.

(d) Long term effects:

The long term effects on the proposed regulation will be clarity, efficiency and public safety.

4. Estimated Cost to the Agency.

There is no additional cost to the agency for this change in regulation.

5. Duplication with other Agencies:

Does not duplicate any existing federal, state or local standards regulating the same activity.

6. Federal Law:

Not addressed in federal law.

7. Federal Regulation:

Not addressed in federal regulations.

8. New Fee Established:

No new fee is established by this regulation change.

**Comments and Written Submissions**

Persons wishing to comment on the proposed action of the Commission may appear at the scheduled public hearings or may address their comments, data, views or arguments, in written form to:

Nevada Real Estate Division  
2501 E. Sahara Avenue, Room 303  
Las Vegas, NV. 89104-4137  
Attn: Teralyn Thompson, Administration Section Manager

Written submissions must be received by the Division no later than Thursday, December 17, 2015. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

**Copies of Proposed Regulation**

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation are available on the Division website at [www.red.nv.gov](http://www.red.nv.gov) and at the Division office:

Real Estate Division  
2501 East Sahara, Suite 303  
Las Vegas, NV. 89104-4137

The text of each regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at:

<https://www.leg.state.nv.us/register/2014Register/R097-14RP1.pdf>

Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Nevada Real Estate Division  
1818 E. College Parkway, Suite 110  
Carson City, Nevada 89706

Carson City Library  
900 N. Roop Street  
Carson City, Nevada 89701

Churchill County Library  
553 S. Maine Street  
Fallon, Nevada 89406

Elko County Library  
720 Court Street  
Elko, Nevada 89801

Lincoln County Library  
63 Main Street  
PO Box 330  
Pioche, Nevada 89043

Lyon County Library  
20 Nevin Way  
Yerington, Nevada 89447

Tonopah Public Library  
167 S. Central Street  
Tonopah, Nevada 89049

Washoe County Library-Reno  
301 S. Center Street  
Reno, Nevada 89501

Battle Mountain Library  
625 S. Broad Street  
Battle Mountain, Nevada 89820

Nevada Real Estate Division  
2501 E. Sahara Avenue, Suite 102  
Las Vegas, Nevada 89104  
[www.red.nv.gov](http://www.red.nv.gov)

Las Vegas-Clark County Library  
833 N. Las Vegas Boulevard  
Las Vegas, Nevada 89101

Douglas County Public Library  
1625 Library Lane  
Minden, Nevada 89423

Goldfield Public Library  
PO Box 430  
Goldfield, Nevada 89013

Humboldt County Library  
85 E. Fifth Street  
Winnemucca, Nevada 89445

Storey County Library  
PO Box 999  
175 E. Carson Street  
Virginia City, Nevada 89440

Mineral County Library  
PO Box 1390  
Hawthorne, Nevada 89415

Pershing County Library  
400 Main Street  
Lovelock, Nevada 89419

White Pine County Library  
950 Campton Street  
Ely, Nevada 89301