

PROPOSED REGULATION OF THE REAL ESTATE COMMISSION

PROPOSED CHANGES TO NAC 645

AGENCY DRAFT

OCTOBER 4, 2019

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

Section 1. Chapter 645 of NAC is hereby amended by adding thereto the provisions set forth in section 2 to 4, inclusive, of this regulation.

Sec. 2. *1. The Administrator may designate distance education delivery of Division sponsored courses to certain areas in lieu of classroom instruction for any Division sponsored course of instruction. The Division may issue continuing education credit for any course of instruction delivered in this manner per NAC 645.450.*

2. Distance education of delivery of Division sponsored courses in in lieu of classroom instruction for any Division sponsored course of instruction can be applied toward classroom credits to meet the requirements of NAC 645.448(6).

3. The Division shall issue continuing education credits for Division sponsored courses of instruction for the development of instructors.

Sec. 3. *1. A licensee who meets the requirements of NRS 645.575(3)(a) may apply to the Division for an exemption, on a form prescribed by the Division, from the requirement to complete continuing education required for the renewal of his or her license. If an exemption is approved, the licensee will be requirements to successfully complete at least 12 hours of continuing education devoted to ethics, professional conduct or the legal aspects of real estate, including 3 hours in each of the following areas:*

(a) Agency relationships.

(b) Nevada law.

(c) Contracts.

(d) Ethics.

2. The exemption described in section 1 does not exempt a licensee who holds a permit pursuant to NRS 645.6052 or NRS 645.863 from successfully completing the continuing education required for the renewal of his or her permit.

Sec. 4. *A licensee may use a nickname to advertise services offered for which a license is required pursuant to NRS 645 if:*

1. The nickname used does not constitute the unlawful use of a trade name and is not deceptively similar to a name under which any other person is lawfully doing business;

2. No combination of letters, numbers or spaces is allowed if it:

(a) Expresses contempt, ridicule or superiority of:

(1) Race;

(2) Ethnic heritage;

(3) Religion; or

(4) Gender.

(b) Contains any connotation that is sexual, vulgar, derogatory, profane or obscene.

(c) Contains a direct or indirect reference to:

(1) Drugs;

(2) Drug paraphernalia; or

(3) Gangs.

(d) Makes a defamatory reference to a person or group.

3. The advertising complies with all other applicable provisions of this chapter and chapter 645 of NRS.

Sec. 5. NAC 645.075 is hereby amended to read as follows:

645.075 1. The Division shall make copies of the booklet prepared pursuant to NRS 645.194 available to licensees using one or more of the following methods of distribution:

(a) Making a printable version of the booklet available on the ~~[Internet]~~ *Division's* website ~~[maintained by the Division]~~.

(b) Providing an electronic copy of the booklet to each approved *school, instructor and* sponsor of real estate education courses.

(c) Authorizing any person to reproduce the most recent version of the booklet without obtaining the approval of the Division.

~~(d) [Providing to schools or instructors approved by the Commission printed copies of the booklet for use in courses to fulfill the educational requirements for issuance of an original license pursuant to chapter 645 of NRS, courses for postlicensing education and courses for continuing education which are devoted to the legal aspects of real estate.~~

~~(e) Providing at no cost not more than 10 printed copies of the booklet upon request at an office of the Division, if a sufficient supply of booklets is available at the office.~~

~~(f)~~ Mailing a printed copy of the booklet to any licensee upon the request of the licensee.

~~(g)~~ (e) Any other method of distribution deemed appropriate by the Division.

2. Upon the request of any person at an office of the Division, the Division shall provide the person a printed copy of the booklet prepared pursuant to NRS 645.194.

Sec. 6. NAC 645.140 is hereby amended to read as follows:

645.140 1. An applicant for an original license must submit a certificate from an accredited educational institution or an institution approved by *the Division, on behalf of* the Commission, as proof that the applicant has successfully completed the course or courses of instruction required in NRS 645.343. If the applicant states in his or her application that he or she has completed any of the courses at a university or community college the applicant must have the college or university furnish the Division with ~~(a)~~ *an official* transcript of his or her record. The Division may allow substitution of those courses already completed and may require additional instruction as is necessary to complete the course of instruction required in NRS 645.343.

2. Mere attendance in a classroom does not constitute successful completion of a course.

3. Proof of active experience as a real estate salesperson must be made on a form provided by the Division and attested by the applicant's broker or brokers.

4. For the purposes of subsection 4 of NRS 645.343, the substitution of each 2 years' active experience for 16 semester units of college level courses applies to experience as a real estate

salesperson or broker in this State, any other state or the District of Columbia. No substitution may be made for any period which is less than 2 years.

Sec. 7. NAC 645.185 is hereby amended to read as follows:

645.185 1. A certificate authorizing an out-of-state broker to cooperate with a Nevada broker is valid for the earlier of 12 months after the date of issuance or the completion or termination of the single transaction identified in the application for the certificate and expires automatically when the transaction has been completed or has been terminated. The fee paid for the issuance covers only that period or transaction, as applicable. The certificate is not transferable.

2. A Nevada broker working with an out-of-state broker holding such a certificate shall immediately report any change in his or her license status or address or the license status or address of the out-of-state broker to the Division. Any violation of this subsection subjects the certificate to revocation.

3. If, at any time during which a cooperative certificate is in effect, the out-of-state broker or the Nevada broker wishes to terminate the relationship, he or she must give written notice of the termination to the Division and the broker with whom he or she has been cooperating and the out-of-state broker shall immediately surrender his or her certificate to the Division.

4. If the license of the out-of-state broker expires or is inactivated, suspended, revoked or cancelled, the out-of-state broker shall immediately give written notice to the Division of each Nevada broker with whom he or she is cooperating and surrender his or her cooperative certificate to the Division.

5. The Administrator may not issue a cooperative certificate to an out-of-state association, partnership or corporation which is licensed as a broker. Only a natural person who is a broker may be issued such a certificate.

6. When acting under a cooperative certificate, an out-of-state broker shall work through the cooperating Nevada broker or a licensee associated with a Nevada broker. The Nevada broker is in charge of the transaction from beginning to end.

7. Any money received in a cooperative transaction may be handled only by the cooperating Nevada broker in accordance with NRS 645.310.

8. Each out-of-state broker, while cooperating with a Nevada broker, is governed by the provisions of this chapter and chapter 645 of NRS. Any violation of such a provision by the out-of-state broker subjects his or her cooperative certificate and the Nevada broker's license to fine or suspension, or both, or revocation. By accepting a cooperative certificate, the out-of-state broker shall be deemed to have appointed the Nevada broker as his or her agent for service of all notices and process in any proceeding initiated by the Division pursuant to chapter 645 of NRS related to the transaction for which the cooperative certificate was issued.

9. A cooperating out-of-state broker may authorize only one broker-salesperson or one salesperson employed by him or her to act in his or her behalf. The authorization must be on a form supplied by the Division, and a copy must be sent to the Division before the authorized representative of the out-of-state broker may conduct any transaction. The authorized representative shall carry the completed form with him or her whenever the authorized representative is in Nevada for the purpose of conducting his or her real estate business.

10. An out-of-state broker may cooperate with more than one Nevada broker and a Nevada broker may cooperate with more than one out-of-state broker. Each arrangement is considered a separate agreement for which the appropriate form must be completed and submitted, the appropriate fee paid and a separate cooperative certificate obtained.

11. An out-of-state broker may not use a cooperating broker's certificate as authority to sell or attempt to sell real estate in Nevada on behalf of the owner of that real estate. Such a certificate may be used only for the purpose of allowing the out-of-state broker or salesperson to represent a person other than a resident of Nevada in the purchase of real estate in Nevada.

Sec. 8. NAC 645.205 is hereby amended to read as follows:

645.205 *Upon request, [An] an* applicant may obtain *a printed copy of* the handbook on candidate examinations that is currently approved by the Division at an office of the Division at no cost.

Sec. 9. NAC 645.220 is hereby amended to read as follows:

645.220 To pass an examination, an applicant must achieve a grade of at least 75 percent [~~on each section of the examination~~].

Sec. 10. NAC 645.315 is hereby amended to read as follows:

645.315 If a licensee fails to file an application for the renewal of his or her license before it expires, the licensee shall not engage in the business of real estate until the license is reinstated.

To have his or her license reinstated, the licensee must:

1. Apply on the appropriate form;
2. Pay the required fees;
3. If required, pass the examination; and
4. Submit any other information required by the Administrator, including, without limitation, current fingerprint cards *pursuant to NRS 645.355*.

Sec. 11. NAC 645.325 is hereby amended to read as follows:

645.325 Except as otherwise provided in [NAC 645.345](#):

1. A licensee who is in good standing with the Division and whose license is on inactive renewed status may apply to the Division to have his or her license reinstated to active status. The application must:

- (a) Be on a form supplied by the Division;
- (b) Be accompanied by the required fees;
- (c) Contain evidence that the licensee has paid the required fee for the Real Estate Education, Research and Recovery Fund;
- (d) If the application is for reinstatement of a real estate broker's license, be accompanied by a completed financial statement that is prepared on the form prescribed by the Division;
- (e) Contain evidence that requirements for continuing education have been met; and
- (f) Include any other information required by the Administrator, including, without limitation, current fingerprint cards *pursuant to NRS 645.355*.

2. If a license has been on inactive renewed status for more than 2 years, the licensee must, in addition to fulfilling the requirements of subsection 1:

(a) Show, to the Administrator's satisfaction, that he or she has the competency to engage in the business of real estate; and

(b) Complete an examination, including payment of the appropriate examination fees, and attain a score of at least 75 percent.

3. If the licensee fails the examination, he or she may retake the examination after paying the appropriate examination fee.

4. A license placed on inactive status for the holder's failure to comply with NRS 645.570 or for any of the reasons listed in NRS 645.577 remains inactive until an application for reinstatement has been approved by the Division.

Sec. 12. New Language PER LCB FILE NO R004-16 is hereby amended to read as follows:

1. If an initial license has been placed on inactive status ~~[during the first year of the initial license period]~~ *for a period of less than 2 years* 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]~~ *36* 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 not more than 2 years after the first renewal period]~~ *a period of 2 years or more* 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]~~:

(1) The course of postlicensing education; and, ~~[if applicable, the 12 hours]~~

(2) An additional 36 hours of approved courses of continuing education *pursuant to NAC 645.448, as applicable to the license for which the licensee applies for reinstatement* ~~[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]~~ **36** 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 2 or more 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 NAC 645.448, as applicable to the license for which the licensee applies for reinstatement.~~

~~(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 6 of NAC 645.4442; and~~

~~(2) An additional 24 hours of approved courses of continuing education as required by NAC 645.448, as applicable to the license for which the licensee applies for reinstatement.~~

~~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]~~ **36** hours of approved courses of continuing education. Not less than ~~[12]~~ **24** or ~~[15]~~ **30**, as applicable, of the hours required pursuant to this paragraph must be devoted to ethics, professional conduct or the legal aspects of real estate, including ~~[3]~~ **6** hours in each of

the areas set forth in subparagraphs (1) to (4), inclusive, of paragraph (a) of subsection 1 of NAC 645.448 or subparagraphs (1) to (5), inclusive, of paragraph (a) of subsection 2 of NAC 645.448, as applicable to the license for which the licensee applies for reinstatement.

~~[(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] 36 hours of approved courses of continuing education. Not less than 24 or 30, as applicable, 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 areas set forth in subparagraphs (1) to (4), inclusive, of paragraph (a) of subsection 1 of NAC 645.448 or subparagraphs (1) to (5), inclusive, of paragraph (a) of subsection 2 of NAC 645.448, as applicable to the license for which the licensee applies for reinstatement.]~~

[5] 4. 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] 5. 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 submission of a prior request on a form prescribed by the Division and the approval of the Division, take the required hours of continuing education in courses of distance education.

[7] 6. 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. 13. NAC 645.403 is hereby amended to read as follows:

645.403 A school that wishes to offer a course to meet the educational requirements for original licensing under chapter 645 of NRS must apply to *the Division, on behalf of* the Commission, annually for approval on a form prescribed by the Division and pay the appropriate fees. The application must include, without limitation:

1. The name and address of the school;
2. The type of school and a description of its facilities;
3. Information concerning the ownership of the school, including the business organization and the names and addresses of all directors, principals, officers and others having interests as owners;
4. A list of the instructors, including, without limitation, any guest lecturers;
5. A list of the courses to be offered and the title, objectives and topical syllabus for each course;
6. A proposed *annual* schedule of each course for 1 year that includes, without limitation, the dates, times, *instructors* and locations of each class;
7. An explanation for how each course meets the educational requirements for original licensing;
8. The allotment of time for each subject;
9. If a course is a distance education course, any information required by the *Division, on behalf of the Commission*, to determine whether the course satisfies the requirements of NAC 645.443;
10. The titles, authors, publishers, dates of publication and editions of all required textbooks;
11. A copy of any manual, handout or other course material to be used by the instructor or students;
12. A copy of each examination to be used and the correct answer for each question;
13. A statement of:
 - (a) The purpose of the school;
 - (b) The fees to be charged;
 - (c) The days, times and locations of classes;
 - (d) The number of quizzes and examinations;
 - (e) The grading systems, including the methods of testing and standards of grading;
 - (f) The requirements for attendance; and
 - (g) The location of the students' records;
14. A statement as to whether the school or any instructor employed by the school has been disciplined by any governmental agency in this or any other state; and

15. A statement of the requirement that to pass a course, a student must earn at least 75 percent of the points possible for the entire course.

Sec. 14. NAC 645.404 is hereby amended to read as follows:

645.404 1. If a school has applied for and received the *Division's* [~~Commission's~~] approval, *on behalf of the Commission*, 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 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. 15. NAC 645.407 is hereby amended to read as follows:

645.407 1. Within 15 days after the occurrence of any material change in the information provided by the school in its application pursuant to NAC 645.403 which would affect its approval by *the Division, on behalf of* the Commission, the school shall give the Division written notice of that change.

2. To qualify for annual renewal of approval by the [~~Commission~~] *Division*, a school must submit to the [~~Commission~~] *Division* before July 1:

(a) A written certification, in a form prescribed by the Division, declaring that the school has met all applicable requirements of this chapter;

(b) A sworn statement, in a form prescribed by the Division, declaring that the information contained in the original application is current or, if it is not current, a list of all material changes; and

(c) Payment of the appropriate fee for each course for which renewal is being sought.

3. The ~~[Commission]~~ *Division* may deny renewal of approval to any school that does not meet the standards required by this chapter.

4. Within 60 days after a decision is made to deny renewal of approval, the ~~[Commission]~~ *Division* must give written notice of the decision and the basis for that decision by certified mail to the last known address of the school.

Sec. 16. NAC 645.410 is hereby amended to read as follows:

645.410 1. Except as otherwise provided in NAC 645.412, a school which *the Division, on behalf of* the Commission, has approved to give a course fulfilling the educational requirements for original licensing shall require each student to attend the required number of hours of instruction and take at least two examinations in the course as a condition of receiving certification for the course.

2. The school may certify only the number of hours for which the course has been approved by the ~~[Commission]~~ *Division*.

3. The entire course must be completed by the applicant or licensee to satisfy the licensing requirements.

4. For the purposes of this section:

(a) An “hour of instruction” means 50 minutes or more; and

(b) One semester credit is equal to 15 hours of instruction.

Sec. 17. NAC 645.412 is hereby amended to read as follows:

645.412 If *the Division, on behalf of* the Commission, approves a school to give a course of study which fulfills the educational requirements for an original license and the school offers the course by correspondence, the school shall:

1. Require each student to:

- (a) Take a closed-book final examination with a proctor present at a location designated by the school in its application for approval filed with the **[Commission] Division**;
 - (b) Take two progress examinations or quizzes in addition to the final examination;
 - (c) Prove his or her identity before the student is allowed to take any examination; and
 - (d) Complete each course within an established minimum and maximum time.
2. Certify the completion of only the number of hours for which the course has been approved by the **[Commission] Division**. A portion of a course does not satisfy the requirements for a license.

Sec. 18. NAC 645.420 is hereby amended to read as follows:

645.420 A school approved by *the Division, on behalf of* the Commission, shall not make any misrepresentation in its advertising about any course of instruction which it offers to fulfill requirements for licensing under this chapter.

Sec. 19. NAC 645.425 is hereby amended to read as follows:

645.425 A school which conducts courses approved by *the Division on behalf of* the Commission:

1. May employ as instructors of those courses only persons who meet the qualifications set forth in NAC 645.426.
2. Shall limit noncertificated guest lecturers who are experts in the related fields to a total of 9 instructional hours per approved course.
3. Shall include a statement that the school is approved by the **[Commission] Division** on all advertisements of the school.

Sec. 20. NAC 645.427 is hereby amended to read as follows:

- 645.427 1. The Administrator may withdraw the approval of an instructor who:

(a) Does an inadequate job of teaching the subject matter of a course as evidenced by *either a* student evaluation, *complaints received by the Division* or an audit conducted by the Division.

(b) Has been determined in any administrative or judicial proceeding to have violated any statute, rule, regulation or order pertaining to real estate.

(c) Has been convicted of, or entered a plea of guilty or nolo contendere to, any crime involving fraud, deceit, misrepresentation or moral turpitude; or

(d) Engages in inappropriate behavior in the classroom as evidenced by *either* an audit conducted by the Division, *student evaluations or complaints received by the Division*.

2. Before withdrawing approval of the instructor of a course, the Administrator must notify the sponsor of the course of his or her intent to withdraw approval of the instructor. The notice must include the specific reasons upon which the Administrator is basing the decision to withdraw the approval of the instructor. Not later than 30 days after the date on which he or she receives the notice, a sponsor may provide a written response to the Administrator that clearly sets forth the reasons why the approval of the instructor should not be withdrawn and outlining any corrective measures that the sponsor will undertake. After the 30-day period has elapsed, the Administrator shall review the notice and any response submitted by the sponsor and shall:

(a) Withdraw approval of the instructor;

(b) Allow the instructor to remain approved if certain specific enumerated conditions are met;
or

(c) Allow the continued approval of the instructor.

↪ If the Administrator decides to withdraw approval of the instructor, the withdrawal of approval of the instructor becomes effective upon the mailing of the Administrator's decision to the sponsor of the course taught by the instructor by certified mail, return receipt requested, to the sponsor's last known business address.

3. If the Administrator withdraws approval of an instructor, the Division shall give credit to a student for completing the course if the student began the course before the sponsor received written notice of the withdrawal of approval of the instructor.

4. The sponsor may appeal the decision of the Administrator to withdraw approval of an instructor by filing an appeal with the Commission not later than 30 days after the date on which the withdrawal of the approval of the instructor becomes effective.

5. If the sponsor files a timely appeal, the Commission will, as soon as practicable, hold a hearing concerning the withdrawal of approval of the instructor at a regularly scheduled meeting and will:

- (a) Affirm the decision of the Administrator to withdraw approval of the instructor;
- (b) Suspend approval of the instructor for a limited period and under such conditions as the Commission deems appropriate; or
- (c) Reverse the decision of the Administrator to withdraw approval of the instructor.

Sec. 21. NAC 645.428 is hereby amended to read as follows:

645.428 1. An instructor shall ensure that:

(a) Class sessions are commenced in a timely manner and are conducted for the full amount of time that is approved; and

(b) Each course is taught according to the course plan and instructor guide that was approved by *the Division, on behalf of* the Commission, including the furnishing to students of appropriate student materials.

2. An instructor shall conduct himself or herself in a professional and courteous manner when performing his or her instructional duties and shall conduct classes in a manner that demonstrates the following basic teaching skills:

(a) The ability to present instruction in a thorough, accurate, logical, orderly and understandable manner, to utilize illustrative examples as appropriate and to respond appropriately to questions from students;

(b) The ability effectively to utilize varied instructional techniques in addition to lectures, including, without limitation, class discussion, role-playing and other techniques;

(c) The ability to utilize varied instructional aids effectively to enhance learning;

(d) The ability to maintain an appropriate learning environment and effective control of a class; and

(e) The ability to interact with adult students in a positive manner that:

(1) Encourages students to learn;

(2) Demonstrates an understanding of varied student backgrounds;

- (3) Avoids offending the sensibilities of students; and
- (4) Avoids personal criticism of any other person, agency or organization.

Sec. 22. NAC 645.435 is hereby amended to read as follows:

645.435 1. A course of instruction in real estate principles, practices, procedures, law and ethics which is designed to meet the educational requirements of an applicant for an original license as a salesperson must consist of:

- (a) At least ~~90~~ *120* hours of classroom lectures; or
 - (b) The equivalent in a correspondence or extension course.
2. The content of the course must be divided among subjects listed in NAC 645.210, including:
- (a) At least 45 hours on the principles and practices of real estate, which must include:
 - (1) Brokerage and laws of agency, 21 hours.
 - (2) Valuation and economics, 12 hours.
 - (3) Finance, 12 hours.
 - (b) At least 45 hours on the law of property and the regulation of brokers and salespersons and the ethics of selling real estate, which must include:
 - (1) Ownership, transfer and use of property, 25 hours.
 - (2) Chapters 113, 116, 119, 119A, 645, 645C and 645D of NRS and the regulations adopted pursuant thereto, 18 hours.
 - (3) Applied practice and statutory disclosures, 2 hours.
 - (c) At least 15 hours in the preparation of contracts in real estate transactions to the extent allowed in the capacity of a licensee*
 - (d) At least 15 hours of instruction on agency.*

Sec. 23. NAC 645.437 is hereby amended to read as follows:

645.437 1. Except as otherwise provided in subsection 3, a course of instruction in broker management that is designed to fulfill the educational requirements for issuance of an original

license which are described in paragraph (d) of subsection 2 of NRS 645.343 must be approved by the *Division, on behalf of the* Commission.

2. To be approved by the ~~[Commission]~~ *Division*, a course in broker management must include, without limitation:

(a) Six hours of instruction relating to office policy and procedure, risk management, errors and omissions, controlled business arrangements, compensation, employee-employer relationships and the status of independent contractors;

(b) Three hours of instruction relating to creating business plans;

(c) Three hours of instruction on forms used by real estate brokerages for real estate transactions;

(d) Six hours of instruction that provides an overview of programs for financing real estate transactions, including, without limitation, terminology relating to such programs, the cost of transactions, customary transaction closing costs, and transaction cost and net sheets;

(e) Six hours of instruction in state and local laws;

(f) Six hours of instruction on federal laws governing real estate transactions;

(g) Six hours of instruction on professional relationships between agents and their clients;

(h) Three hours of instruction on valuation of real estate and general principles of economics; and

(i) Six hours of instruction on emerging trends and practices.

3. The ~~[Commission]~~ *Division* will accept, without prior approval, a course of instruction in broker management that is offered by any university, school or community college of the Nevada System of Higher Education, or any other university or college bearing the same or equivalent accreditation, if the course includes, at a minimum, the hours and subjects of instruction set forth in paragraphs (a) to (i), inclusive, of subsection 2.

Sec. 24. NAC 645.440 is hereby amended to read as follows:

645.440 1. Except as otherwise provided in subsection 2, before any school offers or conducts a course of instruction designed to fulfill the educational requirements for issuance of an

original license under chapter 645 of NRS, the school must be approved by *the Division, on behalf of* the Commission.

2. Unless the course is a course in broker management, the ~~[Commission]~~ *Division* will accept such a course from:

(a) Any university, school or community college of the Nevada System of Higher Education, or other university or college bearing the same or equivalent accreditation.

(b) The American Society of Appraisers, the Appraisal Institute or the International Association of Assessing Officers for courses in real estate appraisal consisting of not less than 45 hours of instruction. Forty-five hours of instruction shall be deemed to be the equivalent of 3 semester credits in appraisal.

Sec. 25. NAC 645.441 is hereby amended to read as follows:

645.441 1. The Division shall not accept an applicant's completion of any course which is designed to prepare students for examination, commonly known as a "cram course," as fulfillment of the educational requirements for the applicant's original licensing.

2. None of the following kinds of courses will be accepted from an applicant as fulfillment of the education which is required by subsections 1 to 4, inclusive, of [NRS 645.343](#) for original licensing:

(a) Courses designed to develop or improve clerical, office or business skills that are not related to the activities described in NRS 645.030, 645.035 and 645.040, such as typing, shorthand, operation of business machines, the use of computers, the use of computer software, improvement of memory, or writing of letters and reports; or

(b) Business courses in advertising or psychology.

3. The Division shall not accept a course in broker management required pursuant to paragraph (d) of subsection 2 of NRS 645.343 unless the course and the school that offers the course have been approved by *the Division, on behalf of* the Commission.

Sec. 26. NAC 645.442 is hereby amended to read as follows:

645.442 1. An owner, instructor, or affiliate of a school approved by *the Division, on behalf of* the Commission, or other person associated with the school shall not take a real estate examination conducted by the Division or its agent unless he or she first submits to the Division:

(a) A written statement that his or her purpose in taking the examination is to fulfill one of the requirements for obtaining a license; and

(b) A written agreement to apply for a license upon passing the examination.

2. Such a school or anyone associated with its operation shall not:

(a) Solicit information from any person for the purpose of discovering past questions asked on any such examination; or

(b) Distribute to any person a copy of the questions or otherwise communicate to the person the questions without the prior written approval of the owner of the copyright to the questions.

Sec. 27. NAC 645.443 is hereby amended to read as follows:

645.443 1. A person who requests approval of a distance education course must demonstrate to the satisfaction of *the Division, on behalf of* the Commission, that the proposed distance education course satisfies the following requirements:

(a) The course must be designed to ensure that students actively participate in the instructional process by utilizing techniques that require substantial interaction with the instructor, other students or a computer program. If the subject matter of the course is such that the learning objectives for the course cannot be reasonably accomplished without direct interaction between the instructor and the students, the course design must provide for such interaction.

(b) If the course does not provide students with the opportunity for continuous audio and visual communication with the instructor during the presentation of the course, the course must utilize testing and remedial processes appropriate to ensure mastery of the subject matter of the course by the students.

(c) If the course involves self-paced study, the course must be designed so that the time required for a student of average ability to complete the course is within the number of hours for which the course is approved, and the sponsor of the course shall utilize a system which ensures that students

have actually performed all tasks designed to ensure participation and mastery of the subject matter of the course by the students.

(d) The proposed methods of instruction used in the course must be appropriate to the proposed learning objectives of the course, and the scope and depth of the instructional materials must be consistent with the proposed learning objectives.

(e) The sponsor of the course shall provide appropriate technical support to enable students to complete the course satisfactorily.

(f) An approved instructor must be reasonably available to respond timely to questions asked by students concerning the subject matter of the course and to direct students to additional sources of information. For the purposes of this paragraph, a response by an approved instructor shall be deemed timely if the response is made within 2 business days after the question is submitted.

(g) The sponsor of the course shall provide students with an orientation or information package which contains all information that the Division requires to be provided to students and all necessary information about the course, including, without limitation, information concerning fees and refund policies, subject matter and learning objectives, procedures and requirements for satisfactory completion, any special requirements with regard to computer hardware and software or other equipment, and instructor and technical support. The sponsor shall make available to students technical support relating to the use of any computer hardware or software, or other equipment or technology needed to complete the course.

(h) The sponsor of the course shall utilize procedures which reasonably ensure that a student who receives continuing education credit for completing the course actually performed all the work required to complete the course. If the course involves independent study by students, such procedures must include, without limitation, the opportunity for direct contact by the sponsor with the student at the student's home or business via the telephone or electronic mail and a signed statement by the student certifying that he or she personally completed all course work. The sponsor shall retain such signed statements and records of student contact together with all other course records the sponsor must maintain.

2. A sponsor seeking approval of a computer-based distance education course must submit a complete copy of the course to the Division in the medium to be used and, if requested, must make available, at a date and time satisfactory to the Division and at the sponsor's expense, all equipment

and software necessary to enable the Division to review the course. In the case of an Internet-based course, the sponsor shall provide the Division with access to the course via the Internet at no charge at a date and time satisfactory to the Division.

3. In determining whether to approve a distance education course pursuant to this section, the **[Commission] Division** will consider whether:

(a) The course consists of at least 3 hours of instruction;

(b) Students are required to complete a written examination proctored by a person acceptable to the Division or using a secure electronic method acceptable to the Division; and

(c) The course is presented by an accredited college or university that offers distance education in other disciplines, or whether the course design and method of delivery has been accredited by an accrediting agency which accredits distance education and which is approved by the **[Commission] Division**. For an accrediting agency to be approved by the **[Commission] Division** for the purposes of this paragraph, the accrediting agency must use the following considerations when making its determination on whether to accredit a distance education course:

(1) The mission statement of the sponsor of the course;

(2) The minimum design of the course and the procedures for updating the course;

(3) The interactivity of the instruction with the students;

(4) Whether the instruction provided in the course teaches mastery of the course material;

(5) The support services that are available to students;

(6) The medium through which the course is delivered to students;

(7) A time study of the range of instructional hours for which a course should be approved or accredited;

(8) For each module of instruction, whether there is:

(I) At least one learning objective for the module of instruction;

(II) A structured learning method to enable the student to achieve each such learning objective;

(III) A method of assessment of the student's performance during the module of instruction; and

(IV) A method of remediation pursuant to which a student who, based on the assessment of his or her performance, is determined to be deficient in his or her mastery of the course material may repeat the module until the student understands the course material; and

(9) Whether a complete syllabus or student manual, or both, for all courses or programs is provided in written form and includes accurate and clearly stated information about admissions, progression, completion, criteria, dismissal and any applicable licensing requirements.

Sec. 28. NAC 645.4432 is hereby amended to read as follows:

645.4432 1. The sponsor of an approved course:

(a) Shall not allow a licensee to pass the course by taking an examination without having the required attendance;

(b) Shall admit authorized personnel of the Division to audit and evaluate the presentation of the course;

(c) Shall notify the Division within 15 days after making any material change in the course;

~~[and]~~

(d) Shall not present a course for the main purpose of selling products and shall limit the announcement of products during the course to not more than 1 minute for each credit hour~~[-];~~

2. The ~~[Commission's]~~ *Division's* approval of:

(a) A course to meet the educational requirements for an original license;

(b) A course for postlicensing education; and

(c) A course for continuing education,

↪ is effective for 1 year after the original approval or a renewal.

3. The school or sponsor must apply for renewal on a form provided by the Division and describe on that form any changes in the course. An application for renewal must be filed at least 2 weeks before the previous approval expires. If the school or sponsor does not timely file the application for renewal, the school or sponsor must apply for an original approval.

4. Each approved course and instructor is subject to review and audit by the Division. If the Division conducts such a review or audit, the sponsor shall make available to the Division all records requested which are necessary to the review.

5. The Division shall renew the approval of a course if the information concerning the course has been updated and there is no material change in the content of the course.

6. Each of the following acts and conditions is a ground for the ~~[Commission]~~ *Division* to withdraw or refuse to renew its approval of a course:

(a) The curriculum or instruction, as shown by evaluations or audits, is of poor quality.

(b) The violation of any provision of this chapter relating to continuing education.

(c) The course is not taught within the last period for which the course is approved.

(d) The sponsor of the course has made a false statement or has presented any false information in connection with an application for the approval of the course, the renewal of such approval or the approval of the sponsor.

(e) The sponsor of the course or any official or instructor employed by the sponsor has refused or failed to comply with any provision of this chapter or [chapter 645](#) of NRS.

(f) The sponsor of the course or any official or instructor employed by the sponsor has provided false or incorrect information in connection with any report the sponsor is required to submit to the ~~[Commission]~~ *Division*.

(g) The sponsor of the course has engaged in a pattern of consistently cancelling scheduled courses.

(h) The sponsor of the course has remitted to the ~~[Commission]~~ *Division* in payment for required fees a check which was dishonored by a bank.

(i) An instructor employed by the sponsor of an approved course fails to conduct approved courses in a manner that demonstrates possession of the teaching skills described in this chapter.

(j) A court of competent jurisdiction has found the sponsor of the approved course or any official or instructor employed by the sponsor to have violated, in connection with the offering of education courses, any applicable federal or state law or regulation:

(1) Prohibiting discrimination on the basis of disability;

(2) Requiring places of public accommodation to be in compliance with prescribed standards relating to accessibility; or

(3) Requiring that courses related to licensing or certification for professional or trade purposes be offered in a place and manner accessible to persons with disabilities.

(k) The sponsor of the course or any official or instructor employed by the sponsor has been disciplined by the Commission or any other occupational licensing agency in this State or any other jurisdiction.

(l) The sponsor of the course or any official or instructor employed by the sponsor has collected money for an educational course but has refused or failed to provide the promised instruction.

7. A licensee who is the sponsor of an approved course is subject to disciplinary action pursuant to this chapter for any dishonest, fraudulent or improper conduct by the licensee, or an instructor of the approved course employed by the licensee, in connection with activities related to the approved course.

Sec. 29. 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 course of postlicensing education that focuses on practical applications of real estate transactions. The 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 submission of a prior request on a form prescribed by the Division and the approval of the Division, take the course by a method of delivery of distance education that involves interaction with the instructor and other students if such a method of delivery is available at the time of the request; 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 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, 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 or 15 hours, as applicable, of continuing education within the first 2 years immediately after initial licensing. The additional 12 or 15 hours, as applicable, of continuing education:~~

~~(a) Must include 3 hours in each of the areas set forth in subparagraphs (1) to (4), inclusive, of paragraph (a) of subsection 1 of NAC 645.448 or subparagraphs (1) to (5), inclusive, of paragraph (a) of subsection 2 of NAC 645.448, as applicable to the license; and~~

~~(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 submission of a prior request on a form prescribed by the Division and the approval of the Division, take the additional continuing education course as a course of distance education if such course is available.~~

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 areas set forth in subparagraphs (1) to (4), inclusive, of paragraph (a) of subsection 1 of NAC 645.448 or subparagraphs (1) to (5), inclusive, of paragraph (a) of subsection 2 of NAC 645.448, as applicable to the license; and~~

~~(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 request on a form prescribed by the Division and the approval of the Division, complete the required hours of continuing education in courses of distance education if such courses are available.~~

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].~~

Sec. 30. NAC 645.4444 is hereby amended to read as follows:

645.4444 1. An application for the approval of a course for postlicensing education must be submitted to the Division on a form provided by the Division for review and ~~[presentation to the Commission]~~ *approval*.

2. The ~~[Commission]~~ *Division* will not grant retroactive approval for a course in postlicensing education.

3. The ~~[Commission]~~ *Division* will grant credit for a course for postlicensing education if the course meets the requirements set forth in subsection 4 of NAC 645.4442 and the sponsor of the course:

(a) Certifies the attendance of the licensees who take the course for credit.

(b) Maintains for at least 4 years a record of attendance which contains the following information with respect to each licensee who has taken the course for credit:

(1) The name of the licensee in attendance and the number of his or her license;

(2) The title and number of the course;

(3) The hours of instruction attended and the dates of attendance by the licensee; and

(4) A statement that the licensee has successfully completed the course.

(c) ~~[Assures the Commission that an]~~ *An* approved instructor will preside throughout the course.

(d) Requires each licensee who takes the course to:

(1) Take a closed-book final examination with a proctor present at a location designated by the sponsor in its application for approval filed with the Division and to receive a score of at least 75 percent to pass the course;

(2) Prove his or her identity before the licensee is allowed to take any examination; and

(3) Complete the entire course to receive credit for taking the course.

~~[(e)]~~ *(d)* Gives credit for only the number of hours for which the course has been approved by the ~~[Commission]~~ *Division* to a licensee who completes the course.

~~[(f)]~~ *(e)* Publishes a policy for retaking an examination which a licensee has failed.

4. If a course for postlicensing education has been approved, the sponsor of the course shall provide a certificate of completion to the licensee upon his or her completion of the course. The certificate must contain:

- (a) The name of the sponsor;
- (b) The name of the licensee and his or her license number;
- (c) The title of the course and the number of hours for which the course has been approved;
- (d) The dates of instruction;
- (e) The number assigned to the course by the Division and a statement that the course was approved by the ~~[Commission]~~ *Division*;
- (f) The signature of the person who is authorized to sign for the sponsor; and
- (g) A statement indicating that the licensee fulfilled the requirements to pass the course.

Sec. 31. NAC 645.4448 is hereby amended to read as follows:

645.4448 Any advertising, promotional brochure or form for registration for a course for postlicensing education must contain, in writing, the policy of the sponsor concerning cancellations and refunds. *The sponsor shall notify the Division, as soon as possible, when a course of instruction is cancelled.*

Sec. 32. 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) Successfully complete at least ~~[+2]~~ *36* hours of continuing education devoted to ethics, professional conduct or the legal aspects of real estate, including ~~[3]~~ *6* hours in each of the following areas:

- (1) Agency relationships.
- (2) Nevada law.
- (3) Contracts.
- (4) Ethics.

(b) *Successfully complete the remaining hours of instruction in any designated areas of continuing education approved by the Division.* ~~[If the license was last renewed 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, at least 12 hours of which meet the requirements of paragraph (a). Each licensee must provide the Division with proof of completion before the end of each 2-year period.]~~

~~(c) If the license was last renewed 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, at least 12 hours of which meet the requirements of paragraph (a).]~~

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) Successfully complete at least ~~[45]~~ 36 hours of continuing education devoted to ethics, professional conduct or the legal aspects of real estate, including ~~[3]~~ 6 hours in each of the following areas:

- (1) Agency relationships.
- (2) Nevada law.
- (3) Contracts.
- (4) Ethics.
- (5) Broker management.

(b) *Successfully complete the remaining hours of instruction in any designated areas of continuing education approved by the Division.* ~~[If the license was last renewed 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, at least 15 hours of which meet the requirements of paragraph (a). Each licensee must provide the Division with proof of completion before the end of each 2-year period.]~~

~~(c) If the license was last renewed 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, at least 15 hours of which meet the requirements of paragraph (a).]~~

3. The requirements for continuing education set forth in this section do not apply to the renewal of a license upon the expiration of the initial license.

4. At least 50 percent of the total hours of required continuing education set forth in 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 submission of a prior request on a form prescribed by the Division and the approval of the Division, complete the required hours of continuing education in courses of distance education if such courses are available.

5. 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].~~

Sec. 33. NAC 645.450 is hereby amended to read as follows:

645.450 1. A course for continuing education must contain:

(a) Current information on real estate which will improve the professional knowledge of the licensee with regard to the areas described in subsection 2 and enable him or her to give better service to the public.

(b) Information that relates to Nevada laws and regulations relating to real estate transactions in this State.

2. The following areas are acceptable for courses in continuing education:

(a) Ethics of selling real estate;

(b) Legislative issues which concern the practice of real estate or licensees, including, without limitation, recent legislation and revisions to this chapter;

(c) The administration of real estate law and regulations, including licensing and enforcement;

(d) Real estate financing, including mortgages and other financing techniques;

- (e) The measurement and evaluation of the market for real estate, including evaluations of sites, market data and studies of feasibility;
- (f) The administration of real estate brokerage, including the management of the office, trust accounts and employees' contracts;
- (g) Real estate mathematics;
- (h) The management of real property, including residential and commercial leasing agreements, procedures for accounting and contracts for management;
- (i) The exchange of real property;
- (j) Planning and zoning for land use;
- (k) Real estate securities and syndications;
- (l) Accounting and taxation as applied to real property;
- (m) The development of land, including, without limitation, issues relating to the development or redevelopment of farms and ranches;
- (n) Agency and subjects related to agency;
- (o) The use of calculators and other technologies as applied to the practice of real estate;
- (p) The preparation of real estate contracts;
- (q) Personal development courses, including, without limitation, cross-cultural communications;
- (r) International real estate transactions;
- (s) Antitrust law;
- (t) Issues relating to consumer protection;
- (u) Disclosures required during the sale or lease of real property, including, without limitation, information required pursuant to NRS 116.4103, 116.4109 and 116B.760;
- (v) Commercial real estate; and
- (w) Environmental issues, including, without limitation, issues relating to energy and water conservation and environmental responsibility.

3. The Division may, upon application and on behalf of the Commission, approve a course conducted by any other school, professional society or organization if the Division finds that the course meets the standards established by the Commission for continuing education.

4. The following kinds of courses and activities do not meet the standards for continuing education *except as provided in Section 1 of this regulation file*:

(a) A course that is designed to prepare students for examination, commonly known as a “cram course.”

(b) A course that is designed to develop or improve clerical, office or business skills that are not related to the activities described in NRS 645.030, 645.035 and 645.040, such as typing or keyboarding, shorthand, the operation of business machines, the use of computers, the use of computer software, speed-reading, the improvement of memory, and writing letters and reports.

(c) A meeting for the promotion of sales, a program of office training, or other activity which is held as part of the general business of the licensee.

(d) A course for the orientation of licensees, such as a course offered for that purpose through local real estate boards.

(e) A course for the development of instructors.

5. The Division, on behalf of the Commission, will not approve more than:

(a) Seven full hours of credit per day of instruction in a classroom course for continuing education if a final examination is not given; or

(b) Eight full hours of credit per day of instruction in a classroom course for continuing education if a final examination is given.

Sec. 34. NAC 645.455 is hereby amended to read as follows:

645.455 1. An application for the approval of a course for continuing education must be submitted to the Division on a form provided by the Division.

2. The Division, on behalf of the Commission, may grant retroactive approval for a course for continuing education.

3. The Division, on behalf of the Commission, will grant credit for a course for continuing education only if:

(a) The course consists of at least 3 hours of distance education or 1 hour of instruction in a classroom.

(b) For a course of instruction in a classroom, the sponsor of the course:

- (1) Certifies the attendance of licensees who take the course for credit.
- (2) Maintains for at least 4 years a record of attendance which contains the following information with respect to each licensee who has taken the course for credit:
 - (I) The name of the licensee in attendance and the number of his or her license.
 - (II) The title and number of the course.
 - (III) The hours of instruction attended and dates of attendance by the licensee.
 - (IV) A statement that the licensee has successfully completed the course, if applicable.
- (3) ~~[Assures the Division that]~~ *Required to have* an approved instructor will preside throughout the course.
- (c) For a course of distance education, the sponsor of the course:
 - (1) Requires each student to:
 - (I) Take a closed-book final examination with a proctor present at a location designated by the sponsor in its application for approval filed with the Division and receive a score of at least 75 percent to pass the course;
 - (II) Prove his or her identity before the student is allowed to take any examination;
 - (III) Complete an entire course to receive credit for taking the course; and
 - (IV) Complete each course within an established minimum and maximum time.
 - (2) Gives credit for only the number of hours for which the course has been approved by the Division to a licensee who has completed the course.
 - (3) Publishes a policy for retaking an examination which a licensee failed.
 - (4) Maintains for at least 4 years a record of completion of the course which contains the following information with respect to each licensee who has taken the course for credit:
 - (I) The name of the licensee who completes the course and the number of his or her license.
 - (II) The title and number of the course.
 - (III) A statement that the licensee has successfully completed the course which includes, without limitation, the date that the course was completed and the number of hours completed.
4. If a course is approved, the sponsor shall:
 - (a) Provide a certificate of completion to the licensee upon his or her completion of the course. The certificate must contain the:

- (1) Name of the sponsor;
- (2) Name of the licensee and his or her license number;
- (3) Number of hours of credit for continuing education for which the course is approved;
- (4) Dates of instruction for a course of instruction in a classroom;
- (5) Date of completion of the course for a course of distance education;
- (6) Title of the course or seminar;
- (7) Number of the course assigned by the Division and a statement that the course was approved by the Division on behalf of the Commission;
- (8) Signature of the person authorized to sign for the sponsor;
- (9) A statement of whether the licensee successfully completed the course if an examination was given; and
- (10) Manner in which instruction for the course was delivered.

(b) Within 3 business days after the completion of an approved course of continuing education, electronically submit to the Division, in a format provided by the Division, a roster which includes the name of each licensee or holder of a permit who successfully completed the course.

(c) In addition to the requirements NAC 645.4432, notify the Division, as soon as possible, when a course of instruction is cancelled.

5. If the Division, on behalf of the Commission, denies an application for approval of a course of continuing education, the applicant may appeal the decision of the Division by filing an appeal with the Commission not later than 30 days after the date on which the applicant received notification of the denial of the application for approval of the course.

6. If an applicant files a timely appeal pursuant to subsection 5, the Commission will, as soon as practicable, hold a hearing concerning the denial of the application for approval of the course of continuing education at a regularly scheduled meeting of the Commission and will:

- (a) Affirm the decision of the Division to deny the application for approval of the course; or
- (b) Reverse the decision of the Division to deny the application for approval of the course.

Sec. 35. NAC 645.458 is hereby amended to read as follows:

645.458 Any advertising, promotional brochure or form for registration for a course for continuing education must contain, in writing, the policy of the sponsor concerning cancellations and refunds. *The sponsor shall notify the Division, as soon as possible, when a course of instruction is cancelled.*

Sec. 36. NAC 645.467 is hereby amended to read as follows:

645.467 1. The Commission will grant credit for continuing education, not to exceed 6 hours during a licensing period, to a licensee for attending a meeting of the Commission if:

(a) The meeting of the Commission for which credit for continuing education is being sought is not a hearing in which the licensee is participating as the result of a disciplinary action;

(b) The meeting of the Commission for which credit for continuing education is being sought lasts at least 3 hours; and

(c) The *Division, on behalf of the* Commission; certifies, for the purposes of providing credit for continuing education, the attendance of the licensee at the meeting.

2. If a licensee attends only part of a meeting of the Commission, the Division may determine the number of hours of credit, if any, that the licensee may receive for credit for continuing education pursuant to this section.

Sec. 37. NAC 645.470 is hereby amended to read as follows:

645.470 ~~[1.—Within 60 days after the close of the fiscal year, the Administrator shall deliver to the Commission a financial statement showing beginning balances, receipts, expenditures and ending balances of the Real Estate Education, Research and Recovery Fund in such detail as the Commission requires.]~~

2. Before the first meeting of each fiscal year, the Commission will have a budget prepared for the yearly allocation of expenditures of the Fund from money available for research, *education courses* and education *initiatives*. ~~[The budget so prepared will be presented at the first meeting of the Commission in the fiscal year.]~~

Sec. 38. NAC 645.490 is hereby amended to read as follows:

645.490 1. The Commission may establish an advisory committee to assist the Commission with any matter that the Commission determines to be appropriate for submission to an advisory committee.

2. The Administrator may establish an advisory committee to assist the Administrator in:

(a) The evaluation of any educational course, seminar or conference; or

(b) The review of a matter that is the subject of an investigation conducted pursuant to NAC 645.680, if the licensee who is the subject of the investigation agrees to participate in an informal review of the matter with an advisory committee.

3. The *Division, on behalf of the* Commission, will create and maintain a list of persons who are approved by the Commission to serve on an advisory committee. The *Division, on behalf of the* Commission, will not include any person on the list unless that person meets the qualifications for appointment to the Commission set forth in subsection 3 of NRS 645.090.

4. If the Administrator or the Commission determines that an advisory committee should be formed, the Administrator shall appoint three persons to serve on the advisory committee from the list of persons approved by the *Division, on behalf of the* Commission, to serve on the advisory committee. At least one person so appointed must be a current or former member of the Commission. The Administrator shall appoint one member of the advisory committee, who must be a current or former member of the Commission, to serve as chair of the advisory committee.

5. A member of an advisory committee:

(a) Serves at the pleasure of the *Division, on behalf of the* Commission, and without compensation; and

(b) Shall abstain from participating in any proceeding in which he or she would be prohibited from participating if he or she were a member of the Commission.

6. Each member of an advisory committee is entitled to receive a per diem allowance and travel expenses as provided for state officers and employees generally for the period during which the member was engaged in the discharge of his or her official duties.

Sec. 39. NAC 645.610 is hereby amended to read as follows:

645.610 1. In addition to satisfying the requirements set forth in NRS 645.315:

(a) An advertisement of the services of a licensee for which a license is required under chapter 645 of NRS must not be false or misleading.

(b) Except as otherwise provided in this paragraph, a licensee shall not use his or her name or telephone number or the name or telephone number of another licensee of the brokerage firm with which the licensee is associated in any advertisement which contains the words “for sale by owner,” “for lease by owner” or similar words. A licensee may use his or her name or telephone number in an advertisement for property if the licensee has an ownership interest in the advertised property and the advertisement contains:

(1) If the licensee is a real estate broker, the words “for sale by owner-broker,” “for lease by owner-broker” or substantially similar words; or

(2) If the licensee is an agent, the words “for sale by owner-agent,” “for lease by owner-agent” or substantially similar words.

(c) The name of a brokerage firm under which a real estate broker does business or with which a real estate broker-salesperson or salesperson is associated must be clearly identified with prominence in any advertisement. In determining whether the name of the brokerage firm is identified with prominence, the Division shall consider, without limitation, the style, size and color of the type or font used and the location of the name of the brokerage firm as it appears in the advertisement.

(d) A licensee shall not publish or cause to be published any advertisement or place any sign that makes any reference to the availability of a specific property which is exclusively listed for sale by another broker unless the licensee obtains the prior written consent of the broker with whom the property is listed. Such consent must not be given or withheld by the listing broker without the knowledge of the owner of the property.

(e) A licensee shall ~~[not advertise or otherwise conduct business under a name, including a nickname, other than the name under which he or she is licensed to engage in business]~~ *in a conspicuous way include his or her license number in any advertisements.*

2. If advertising under the name of a franchise, a broker shall incorporate in a conspicuous way in the advertisement the real, fictitious or corporate name under which the broker is licensed

to engage in business and an acknowledgment that each office is independently owned and operated.

3. In addition to the provisions of paragraph (a) of subsection 1, a licensee who represents a seller or lessor under an exclusive agency listing agreement or an exclusive right to sell or lease listing agreement shall not advertise any property that is subject to the agreement as “for sale by owner” or otherwise mislead a person into believing that the licensee does not represent the seller or lessor.

4. As used in this section, “advertisement” includes, without limitation:

(a) Any unsolicited printed [~~material~~] *media, sales literature, brochures, flyers* and any broadcast *media* made by radio, television or electronic means, including, without limitation, by unsolicited electronic mail, *social media* and the Internet, billboards and signs; and

(b) Business cards, stationery, forms and other documents used in a real estate transaction.

Sec. 40. NAC 645.611 is hereby amended to read as follows:

645.611 A licensee may use the term “team” or “group” to advertise the services provided by the licensee if:

1. The use of the term does not constitute the unlawful use of a trade name and is not deceptively similar to a name under which any other person is lawfully doing business;

2. The team or group is composed of more than one licensee;

3. The members of the team or group are employed by the same broker;

4. The name of the team or group contains the last name *and license number* of at least one of the members of the team or group; and

5. The advertising complies with all other applicable provisions of this chapter and chapter 645 of NRS.

Sec. 41. NAC 645.627 is hereby amended to read as follows:

645.627 1. A broker shall establish an office in a location which is easily accessible to the public. If the broker chooses to establish an office in a private home or in conjunction with another

business, he or she shall set aside a separate room or rooms for conducting his or her real estate business. The broker’s office must comply with local zoning requirements.

2. A broker who is licensed in Nevada but who maintains an active license in another state ~~[shall maintain and operate a Nevada office]~~ *must comply with NAC 645.655(2).*

Sec. 42. NAC 645.695 is hereby amended to read as follows:

645.695 1. The Administrator may require ~~[a licensee to pay]~~ an administrative fine *to be paid* 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]
NAC 645.455.....	250]
NAC 645.455.....	250]
NAC 645.610.....	250]
NAC 645.620.....	250]
NAC 645.627.....	250]
NAC 645.632.....	250]
NAC 645.637.....	250]

	For each Offense
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. 43. NAC 645.750 is hereby amended to read as follows:

645.750 1. A licensee associated with an owner-developer may only sell, lease, rent, or offer and negotiate to sell, lease or rent the registered development for an owner-developer, and may not engage in any other activity listed in NRS 645.030.

2. A licensee employed by an owner-developer may not be associated with a real estate broker at the same time.

3. Real estate brokers working for owner-developers must change their status to real estate broker-salespersons.

4. An employee of an owner-developer is prohibited from erecting, displaying or maintaining any sign or billboard or advertising under his or her own name unless the advertisement is located at the office of his or her employer. The name of the employee may not dominate the owner-developer’s sign in any way.

~~[5. Except as otherwise provided in subsection 6, the time during which a licensee is employed by an owner-developer does not satisfy the requirement of prior experience set forth in subsection 4 of [NRS 645.330](#).~~

~~—6.—The Commission may permit an applicant to satisfy the requirement of prior experience set forth in subsection 4 of NRS 645.330 if the applicant has been employed by an owner-developer. The Commission will consider the prior experience of an applicant with an owner-developer at its next regularly scheduled meeting if the applicant:~~

~~—(a) Files a petition with the Commission; and~~

~~—(b) At the meeting of the Commission, demonstrates that the quality, quantity and variety of experience that the applicant received during his or her employment with an owner-developer was substantially equivalent to the experience of a person who has been actively engaged as a full-time licensed real estate broker-salesperson or salesperson in private practice.]~~

Sec. 44. 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*.

~~[(1) If the license was last renewed 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 last renewed 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.

3. A permit expires on the same date as the holder's license expires.

Sec. 45. NAC 645.804 is hereby amended to read as follows:

645.804 1. For an applicant to receive credit for a course of instruction in property management that is designed to fulfill the educational requirements for the issuance of a permit which are described in paragraph (a) of subsection 2 of NRS 645.6052, the course must be approved by *the Division, on behalf of* the Commission.

2. An educational institution that wishes to obtain approval to offer courses that meet the educational requirements for the issuance or renewal of a permit to engage in property management must apply to the Division pursuant to the applicable procedures set forth in NAC 645.400 to 645.467, inclusive.

Sec. 46. 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 last renewed 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 last renewed on or after July 1, 2015, 3 hours of instruction in engaging in the business of a business broker.]~~

Sec. 47. NAC 645.919 is hereby amended to read as follows:

645.919 1. For an applicant to receive credit for a course of instruction in business brokerage that is designed to fulfill the educational requirements for the issuance or renewal of a permit, *the Division, on behalf of* the Commission, must approve the course.

2. An educational institution that wishes to obtain the approval of the *Division* [~~Commission~~] to offer courses that meet the educational requirements for the issuance or renewal of a permit must apply to the Division pursuant to the procedures set forth in NAC 645.400 to 645.467, inclusive.

Sec. 48. NAC 645.011, 645.020, 645.022, 645.045, 645.055, 645.340, 645.430 and 645.907 are hereby repealed:

TEXT OF REPEALED SECTION

645.011 “Administrator” defined. (NRS 645.190) “Administrator” means the Real Estate Administrator.

645.020 “Commission” defined. “Commission” means the Real Estate Commission.

645.022 “Division” defined. “Division” means the Real Estate Division of the Department of Business and Industry.

645.027 “Franchise” defined. (NRS 645.190) “Franchise” means an agreement, whether expressed or implied, oral or written, between two or more persons by which:

1. The holder is granted the right to engage in the business of offering, selling or distributing goods or services under a marketing plan or system prescribed in substantial part by the grantor;
2. The operation of the holder’s business pursuant to such a plan or system is substantially associated with the grantor’s trademark, service mark, trade name, logotype, advertising or other commercial symbol which identifies the grantor or its affiliate; and
3. The holder is required to pay, directly or indirectly, a fee for this right.

645.045 “Owner-developer” defined. (NRS 645.190) “Owner-developer” has the meaning ascribed to it by NRS 645.018.

645.055 “Voluntary cancellation” defined. (NRS 645.190) “Voluntary cancellation” means the transferring of a license from active status to inactive renewed status by a licensee.

645.340 Activation of license after approval of reinstatement. (NRS 645.190) The licensee must activate his or her license within 30 days after receiving notice from the Division that his or her application for reinstatement has been approved.

645.430 Satisfaction of requirement for course in principles of real estate to obtain original license as broker or broker-salesperson. (NRS 645.190, 645.343) The course in principles, practices, ethics, law and procedures which is required for a salesperson’s license under subsection 1 of NRS 645.343 and was approved by the Commission before November 1, 1977, fulfills the requirement under subsection 2 of NRS 645.343 for a course of 3 semester units in the principles of real estate for an original broker’s or broker-salesperson’s license.

645.907 “License” defined. (NRS 645.190, 645.863) “License” means a license as a real estate broker, real estate broker-salesperson or real estate salesperson.