

NAC 645 – REGULATION OF PROPERTY MANAGERS
SUGGESTED UPDATES TO BE PRESENTED TO NV REAL ESTATE COMMISSION:
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REGULATION OF PROPERTY MANAGERS

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

(Added to NAC by Real Estate Comm'n by R136-99, eff. 4-3-2000)

NAC 645.800 Permit to engage in property management: General requirements; fees; effective date. (NRS 645.190, 645.6052)

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

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

(b) A fee of ~~\$40; and \$250; and~~

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

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

(a) Four hours of instruction relating to:

(1) Contracts for management services;

(2) Leases of real property;

(3) Applications to rent real property;

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

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

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

(c) ~~One hour of instruction relating to the use of a computerized system for bookkeeping;~~ **One hour of instruction on establishing Agent Safety protocols for leasing agents and property managers.**

(d) Two hours of instruction relating to the laws of this State governing property management;

(e) Two hours of instruction relating to the disclosure of required information in real estate transactions, including, without limitation:

(1) Disclosures required pursuant to NRS 645.252; and

(2) Disclosures related to environmental issues as governed by state and federal law;

(f) Five hours of instruction relating to:

(1) The Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.;

(2) The Residential Landlord and Tenant Act as set forth in chapter 118A of NRS;

(3) The Nevada Fair Housing Law as set forth in chapter 118 of NRS; and

(4) State and federal law governing unlawful discrimination based on sex, including, without limitation, sexual harassment;

(g) ~~Three hours of instruction relating to property management for a common-interest community as set forth in chapter 116 of NRS;~~ **Two and one-half hours of instruction relating to:**

(i) **Contractor's License Law (NRS 624) as it relates to property management activity,**

(ii) **IRS Code 1031 Tax Deferred Exchanges,**

(iii) **The federal Servicemembers Civil Relief Act**

(h) One hour of instruction relating to the duties and responsibilities of a real estate broker, including the supervision of employees and real estate salespersons and real estate broker-salespersons associated with the real estate broker;

(i) Two hours of instruction relating to risk management, including, without limitation:

(1) The maintenance of real property;

(2) The health and safety of a tenant;

(3) Fire insurance;

(4) Rental insurance; and

(5) Disability insurance; and

(j) ~~Two hours relating to the management of commercial property.~~ **Two and one-half hours relating to the management of commercial property.**

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

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

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

6. As used in this section and paragraph (a) of subsection 2 of NRS 645.6052, the Commission will interpret the term "successfully completed" or "successful completion" to include, without limitation, passing an examination which is prepared

and administered by an organization designated by the Division, with a score of at least 75 percent that:

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

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

↳ The fee for the examination is \$75.

(Added to NAC by Real Estate Comm'n by R059-98, eff. 7-1-98; A by R111-01, 12-17-2001; R050-03, 10-30-2003; R031-04, 11-30-2004)

NAC 645.8005 Permit to engage in property management: Additional requirements for person designated to apply on behalf of certain organizations. (NRS 645.190, 645.6052) In addition to the requirements set forth in NRS 645.6052 and the regulations adopted pursuant thereto, to obtain a permit pursuant to NRS 645.6052, a person who is designated to engage in property management on behalf of a partnership, corporation, limited-liability company or sole proprietor pursuant to NRS 645.6054 must be a broker or a broker-salesperson with 2 years of full-time active experience within the 4 years immediately preceding the date the person applies for a permit to engage in property management on behalf of a partnership, corporation, limited-liability company or sole proprietor pursuant to NRS 645.6054.

(Added to NAC by Real Estate Comm'n by R092-00, eff. 8-29-2000)

NAC 645.802 Permit to engage in property management: Requirements and fee for renewal; effective date of renewal; date of expiration. (NRS 645.190, 645.6052)

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~~ **\$125; and**

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

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

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

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

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

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

(Added to NAC by Real Estate Comm'n by R059-98, eff. 7-1-98; A by R136-99, 4-3-2000)

NAC 645.804 Approval of courses for educational requirements. (NRS 645.190, 645.6052)

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 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.

(Added to NAC by Real Estate Comm'n by R059-98, eff. 7-1-98; A by R031-04, 11-30-2004)

NAC 645.805 Termination of association of person designated to apply on behalf of certain organizations. (NRS 645.050, 645.190, 645.6054)

1. Except as otherwise provided in subsection 4, if a person to whom a permit is issued pursuant to NRS 645.6054 ceases to be connected or associated with the partnership, corporation, limited-liability company or sole proprietor for whom the person is acting as a property manager, the partnership, corporation, limited-liability company or sole proprietor shall not engage in the business of property management unless, not later than 30 days after that person ceases to be connected or associated with the partnership, corporation, limited-liability company or sole proprietor, the partnership, corporation, limited-liability company or sole proprietor designates another person to hold the permit on behalf of the partnership, corporation, limited-liability company or sole proprietor pursuant to the requirements set forth in subsection 3 of NRS 645.6054.

2. The real estate broker of a partnership, corporation, limited-liability company or sole proprietorship who is required pursuant to NRS 645.310 to maintain a trust account for money received for property management shall:

(a) Request a statement from the bank in which the trust account is being held not later than 5 days after the date that the designated property manager ceases to be connected or associated with the partnership, corporation, limited-liability company or sole proprietor; and

(b) Submit to the Division, on a form provided by the Division, a reconciliation of the trust account for the 30 days immediately preceding the date that the designated

property manager ceases to be connected or associated with the partnership, corporation, limited-liability company or sole proprietor.

3. A reconciliation required pursuant to paragraph (b) of subsection 2 must be submitted to the Division not later than 15 days after the designated property manager ceases to be connected or associated with the partnership, corporation, limited-liability company or sole proprietor or by the end of the month in which the designated property manager ceases to be connected or associated with the partnership, corporation, limited-liability company or sole proprietor, whichever occurs later.

4. A partnership, corporation, limited-liability company or sole proprietor may petition, in writing, the Administrator for an extension of time in which to designate another property manager after the designated property manager ceases to be connected or associated with the partnership, corporation, limited-liability company or sole proprietor. The Administrator may grant such an extension, in writing, if he or she finds the partnership, corporation, limited-liability company or sole proprietor has a severe hardship resulting from circumstances beyond the control of the partnership, corporation, limited-liability company or sole proprietor which has prevented the partnership, corporation, limited-liability company or sole proprietor from meeting the requirements of subsection 1.

(Added to NAC by Real Estate Comm'n by R059-98, eff. 7-1-98)

NAC 645.806 Trust accounts: Annual accounting required; declaration of exemption; maintenance of records; administrative fine for violation. (NRS 645.050, 645.190, 645.310)

1. A real estate broker who receives money, including, without limitation, rent, a security deposit, a down payment, an advance fee or earnest money deposit, or whose agent or property manager receives such money, shall provide to the Division, on a form provided by the Division, an accounting as required by subsection 5 of NRS 645.310 which shows a reconciliation of each trust account that he or she maintains.

2. The reconciliation required pursuant to subsection 1 must be submitted to the Division annually by the expiration date of the license of the real estate broker. The reconciliation must include the calendar month immediately preceding the calendar month of the expiration date of his or her license as a real estate broker.

3. If a real estate broker is not required to provide a reconciliation to the Division pursuant to subsection 1, the broker shall provide to the Division, on a form prescribed by the Division, a declaration to inform the Division that the broker is not required to provide a reconciliation of trust accounts. The declaration form must be submitted to the Division annually by the expiration date of the license of the broker.

4. A broker who engages in property management or who associates with a property manager who engages in property management shall maintain complete accounting records of each trust account related to property management that he or she maintains for at least 5 years after the last activity by the broker which involved the trust account.

If the records are maintained by computer, the broker shall maintain an additional copy of the records ~~on computer disc~~ **in a format compatible with standard viewing capabilities**, for at least 5 years after the last activity by the broker which involved the trust account.

5. A broker who violates the provisions of subsection 2 or 3 is subject to an administrative fine pursuant to subsection 1 of NAC 645.695.

(Added to NAC by Real Estate Comm'n by R059-98, eff. 7-1-98; A by R092-00, 8-29-2000; R097-14, 4-4-2016)

NAC 645.807 Trust accounts: Execution of checks by certain broker-salespersons. (NRS 645.050, 645.190) A real estate broker-salesperson who holds a permit to engage in property management may sign checks on a trust account without the signature of the real estate broker who employs him or her if the broker-salesperson has obtained the written permission of the broker authorizing him or her to do so. A signature applied by use of a rubber stamp does not constitute the signature of a real estate broker-salesperson for the purposes of this section.

(Added to NAC by Real Estate Comm'n by R059-98, eff. 7-1-98; A by R031-04, 11-30-2004)