

**PROPOSED REGULATION OF THE  
REAL ESTATE COMMISSION**

**LCB File No. R111-01**

October 19, 2001

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

AUTHORITY: §§1, 6-9, 12-29, 31, 32 and 34-36, NRS 645.190; §§2-4, NRS 645.190 and 645.400; §5, NRS 645.190, 645.400 and 645.6052; §§10 and 11, NRS 645.190 and 645.605; §30, NRS 645.050, 645.190, 645.6052, 645.630 and 645.633; §33, NRS 645.190 and 645.6052.

**Section 1.** Chapter 645 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this regulation.

**Sec. 2.** *An applicant for a license as a real estate salesman must:*

*1. Be at least 18 years of age; and*

*2. Include with an application submitted to the division pursuant to NRS 645.350:*

*(a) His fingerprint card as required pursuant to NRS 645.355;*

*(b) Proof that he has satisfied the educational requirements for a license as a real estate salesman as set forth in NRS 645.343;*

*(c) In accordance with NRS 645.358, the statement prescribed by the welfare division of the department of human resources pursuant to NRS 425.520;*

*(d) Proof that he has received a passing grade as described in NAC 645.220 on the examination for the license;*

*(e) The verified statement required by NRS 645.350;*

*(f) Any information required pursuant to NAC 645.150, including, without limitation, proof of honesty, truthfulness and good reputation; and*

*(g) The required fees.*

**Sec. 3.** *An applicant for a license as a real estate broker-salesman must satisfy the requirements for a license as a real estate salesman as set forth in section 2 of this regulation except the educational requirements set forth in paragraph (b) of subsection 2 of section 2 of this regulation. In lieu of providing proof that he has satisfied the educational requirements for a license as a real estate salesman, the applicant must include with an application submitted to the division pursuant to NRS 645.350 proof that he has satisfied the educational requirements for a license as a real estate broker-salesman as set forth in NRS 645.343.*

**Sec. 4. 1.** *An applicant for a license as a real estate broker must satisfy the requirements for a license as a real estate salesman as set forth in section 2 of this regulation except the educational requirements set forth in paragraph (b) of subsection 2 of section 2 of this regulation. In lieu of providing proof that he has satisfied the educational requirements for a license as a real estate salesman, the applicant must include with an application submitted to the division pursuant to NRS 645.350 proof that he has satisfied the educational requirements for a license as a real estate broker as set forth in NRS 645.343.*

**2.** *In addition to satisfying the requirements set forth in subsection 1, an applicant for a license as a real estate broker must include with the application he submits to the division pursuant to NRS 645.350:*

*(a) Proof that he has satisfied the experience requirements for a license as a real estate broker as set forth in subsection 4 of NRS 645.330; and*

*(b) The financial information required pursuant to NAC 645.120.*

**Sec. 5. 1.** *The division may deny any application for registration as an owner-developer, a license or a permit issued by the division pursuant to this chapter or chapter 645*

*of NRS for any reason which is sufficient to deny a license pursuant to NRS 645.330 or when one or more of the following conditions exist:*

- (a) The application is not in proper form;*
- (b) The application is not accompanied by the required fees;*
- (c) The accompanying forms are incomplete or otherwise unsatisfactory;*
- (d) The application contains a false statement;*
- (e) Other deficiencies appear in the application;*
- (f) An investigation fails to show affirmatively that the applicant possesses the necessary qualifications, including, without limitation, good moral character and financial responsibility;*
- (g) The applicant has willfully acted or attempted to act in violation of chapter 113, 116, 119, 119A, 645, 645A, 645C or 645D of NRS or the regulations adopted pursuant thereto, or has willfully aided and abetted another to act or attempt to act in violation of those chapters or regulations;*
- (h) The check used in paying the required fees for the registration, license or permit is not honored by the financial institution upon which it is drawn; or*
- (i) If the application is for registration as an owner-developer, the applicant fails to verify that he is a licensed contractor in this state.*

*2. The administrator may require proof of the applicant's moral character. In determining that character, the administrator shall consider:*

- (a) The results of the division's investigation of matters stated in the application and other matters that have come to the attention of the division as a result of the investigation of the division;*

- (b) Any history of arrest and conviction of the applicant;*
- (c) The nature and history of the business of the applicant; and*
- (d) Any past failure of the applicant to comply with any applicable requirements of chapter 113, 116, 119, 119A, 645, 645A, 645C or 645D of NRS.*

*3. An applicant whose application is denied by the division may appeal the denial to the commission in the manner set forth in NRS 645.440. If the commission reverses the original decision and determines that the petitioner qualifies for registration, a license or a permit, the application may be accepted as of the date the application was originally submitted or the date on which the fee for the registration, license or permit was paid, whichever is later. The division shall not charge an additional fee.*

**Sec. 6. 1.** *For the purposes of NRS 645.633, the commission interprets the term “deceitful, fraudulent or dishonest dealing” to include any conduct by a licensee, pursuant to any real estate transaction or referral, that involves the giving or accepting of a fee, rebate, kickback or anything of value from a:*

- (a) Lending institution;*
- (b) Insurance company;*
- (c) Appraiser;*
- (d) Inspector;*
- (e) Title insurance company;*
- (f) Escrow company;*
- (g) Contractor;*
- (h) Attorney; or*
- (i) Any other person involved in a real estate transaction with the licensee.*

2. *The term does not include any conduct of a licensee that involves:*

(a) *The payment or acceptance of a commission or fee specified in a document evidencing the real estate transaction; or*

(b) *The giving to or acceptance from a client of a gift that does not exceed \$100 in aggregate value for each real estate transaction involving the licensee and the client.*

3. *As used in this section:*

(a) *“Contractor” has the meaning ascribed to it in NRS 40.620.*

(b) *“Inspector” has the meaning ascribed to it in NRS 645D.080.*

**Sec. 7.** NAC 645.150 is hereby amended to read as follows:

645.150 1. The division may investigate the financial responsibility of each applicant. If the division determines that an applicant is not financially responsible, it may require that the applicant be licensed as a *real estate* broker-salesman until he meets the requirements of financial responsibility as determined by the commission. An applicant for a *real estate* broker’s license may be required to submit a credit report to the division at his own expense.

2. An applicant for a *real estate* broker’s license shall be deemed financially responsible if he can show *liquid* assets ~~[or income]~~ sufficient to maintain an office for 120 days. The applicant’s cash on hand must be on deposit at least 90 days before the date of the application. Anyone denied a license for lack of financial responsibility does not waive his right to appeal pursuant to NRS 645.440 by acceptance of a *real estate* broker-salesman’s license.

3. The administrator may require other proof of the honesty, truthfulness ~~[.]~~ and good reputation of any applicant, including the officers and directors of any corporation, or the members of any partnership or association making an application, before accepting an application for a license.

**Sec. 8.** NAC 645.175 is hereby amended to read as follows:

645.175 1. The *real estate* broker to whom the license is issued is responsible for all branch offices operated by him.

2. ~~If the location of the branch office does not permit the broker to exercise direct supervision, a corporate officer, associate broker, or partner shall supervise that branch office.~~

~~—3.]~~ A license for a branch office may only be issued in the name in which the *real estate* broker is licensed to conduct business at his main office.

~~[4.]~~ 3. A supervisor of a branch office may not manage more than one branch office.

~~[5.]~~ 4. A branch office is not required to establish a trust account, but if one is established, one of the signatures required on the account must be that of the supervisor of the branch office.

**Sec. 9.** NAC 645.178 is hereby amended to read as follows:

645.178 1. A *real estate* broker-salesman with at least 2 years of active experience within the immediately preceding 4 years of having a licensed status may act as an office manager for ~~[his broker's]~~ *the* principal office ~~[and may be made responsible for completing hiring and termination notices and handling trust account funds.]~~ *or a branch office operated by a real estate broker.*

2. A *real estate* broker-salesman who is acting as manager of a principal or branch office must notify the division that he is acting in that capacity.

**Sec. 10.** NAC 645.180 is hereby amended to read as follows:

645.180 1. A real estate broker who is licensed in another state and desires to work in cooperation with a Nevada *real estate* broker must apply to do so on a form provided by the division. The application must be accompanied by:

(a) A copy of his current license issued in the other state;

- (b) A history of his employment for the past 10 years;
  - (c) Information identifying him and the Nevada broker with whom he desires to cooperate;
  - (d) A history of any disciplinary, criminal ~~[ ]~~ or other legal proceeding involving any *real estate* salesman who will be working for the applicant under the cooperative certificate;
  - (e) A list of other cooperative agreements currently in effect with the Nevada broker;
  - (f) A photograph of the applicant;
  - (g) A copy of the license of any *real estate* salesman who will be working for the applicant;
- and

(h) A statement of consent by the Nevada broker to the cooperative agreement.

2. The Nevada broker and out-of-state broker must verify the truth of the contents of the application.

3. The application must be completed personally by the out-of-state broker, and licensed Nevada brokers and employees of the division may not assist in the preparation of any part of the application.

4. The required fee must be paid ~~[by certified check, cashier's check, or postal money order]~~ at the time of filing. If the administrator does not issue the certificate as applied for, the ~~[full amount]~~ fee will *not* be refunded.

5. The applicant must furnish proof satisfactory to the administrator that he has a current active real estate license issued by the state in which his principal place of business is located.

6. A *real estate* broker or salesman who resides in ~~[Nevada]~~ *this state* is not eligible to hold a cooperative certificate or act on behalf of a holder of a certificate.

7. The administrator may ~~[deny any application for a certificate if:~~  
~~—(a) The application is not in proper form;~~

- ~~—(b) The proper fee is not enclosed;~~
- ~~—(c) The application is incomplete or otherwise unsatisfactory;~~
- ~~—(d) The application contains any false statement;~~
- ~~—(e) The applicant previously has willfully acted or attempted to act in violation of any provision of chapter 119, 119A, 645, or 645A of NRS or this chapter or has willfully aided and abetted another to act or attempt to act in violation of those chapters of NRS or this chapter;~~
- ~~—(f) The applicant has had a license suspended or revoked in another state; or~~
- ~~—(g) The applicant has been convicted of, or entered a plea of guilty or nolo contendere to any crime involving his moral turpitude, lack of integrity, or untrustworthiness.]~~

*require proof of the applicant's moral character. In determining that character, the administrator shall consider:*

- (a) The results of the division's investigation of matters stated in the application and other matters that have come to the attention of the division as a result of the investigation of the division;*
- (b) Any history of arrest and conviction of the applicant;*
- (c) The nature and history of the business of the applicant; and*
- (d) Any past failure of the applicant to comply with any applicable requirements of chapter 113, 116, 119, 119A, 645, 645A, 645C or 645D of NRS.*

**Sec. 11.** NAC 645.183 is hereby amended to read as follows:

645.183 1. ~~[The denial of an application for, or the cancellation, suspension, or revocation of, an out-of-state cooperative certificate by the division is reviewable pursuant to NRS 645.440, except that the hearing need not be held at a time or place other than that set for the next regular meeting of the commission.]~~



~~—2. The division]~~ *The administrator* may deny *an application for* a cooperative certificate for any reason which is sufficient to deny an application *for a license, permit or registration* pursuant to ~~[NRS 645.330]~~ *section 5 of this regulation* or to initiate disciplinary proceedings pursuant to NRS 645.630 ~~[, 645.633, 645.635 and 645.645.]~~ *to 645.645, inclusive.*

*2. An applicant whose application for a cooperative certificate has been denied by the administrator or an out-of-state real estate broker whose cooperative certificate has been canceled, suspended or revoked by the administrator may appeal the denial, cancellation, suspension or revocation to the commission in the manner set forth in NRS 645.440. The commission will review the decision by the administrator in the manner set forth in NRS 645.440, except that the hearing need not be held at a time or place other than that set for the next regular meeting of the commission.*

*3. If the commission reverses a decision by the administrator to deny an application for a cooperative certificate and determines that the petitioner qualifies for a certificate, the application may be accepted as of the date the application was originally submitted or the date on which the fee for the certificate was paid, whichever is later. The division shall not charge an additional fee.*

**Sec. 12.** NAC 645.305 is hereby amended to read as follows:

645.305 1. ~~[A licensee may request a change of employer,]~~ *Within 10 days after a licensee changes his association with a real estate broker, name or status* ~~[by completing and submitting the appropriate form supplied]~~, *the licensee shall:*

*(a) Submit a request to the division to change his license on a form provided* by the division ; and ~~[paying]~~

*(b) Pay* the required fees.

2. When a licensee requests a change and pays the required fee, the receipt issued by the division constitutes a temporary working permit pending receipt of the requested license.

3. A *real estate* broker may change his status to that of a *real estate* broker-salesman by filing an application on a form supplied by the division.

4. Licensees ~~[working for]~~ *associated with a real estate broker licensed pursuant to chapter 645 of NRS as a manager of a limited-liability company, member of a partnership, or as an officer of* a corporation , are not considered to have changed ~~[employers]~~ *their association with the real estate broker* if the corporation ~~[changes its corporate broker.]~~ , *limited-liability company or partnership designates a new real estate broker to act in the capacity of a manager of the limited-liability company, member of the partnership or as an officer of the corporation on or before the last date that the former real estate broker works in that capacity.*

**Sec. 13.** NAC 645.310 is hereby amended to read as follows:

645.310 ~~[The broker, under whom a salesman or broker-salesman is licensed, shall immediately file a notice of termination, on a form supplied by the division, when a licensee resigns, fails to renew his license, or is discharged. The broker shall immediately surrender the license of such salesman or broker-salesman to the division. The broker shall explain the circumstances surrounding the discharge of termination of the employee and supply an impression of his character, integrity, and competence as well as any]~~ *If a real estate broker-salesman or salesman terminates, for any reason, his association with the real estate broker with whom he was associated, or his employment with the owner-developer by whom he was employed, the real estate broker or owner-developer shall, in addition to complying with the requirements of NRS 645.580, file with the division:*

*1. A notice of termination on a form provided by the division; and*

2. *Any* other pertinent information the division requests.

**Sec. 14.** 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 license before it expires, he may not engage in the business of real estate until his license is reinstated. To have his license reinstated, he must ~~apply~~:

1. *Apply* on the appropriate form ~~[, submit current fingerprint cards, and pay a fee if required.]~~;

2. *Pay the required fees; and*

3. *Submit any other information required by the administrator, including, without limitation, current fingerprint cards.*

**Sec. 15.** NAC 645.325 is hereby amended to read as follows:

645.325 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 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 he has paid the required fee for the real estate education, research and recovery fund;

(d) ~~[Be accompanied by current fingerprint cards if his license has been on inactive renewed status for 1 year or more;~~

~~—(e)]~~ If the application is for reinstatement of a *real estate* broker's license, be accompanied by a *completed* financial statement ~~[; and~~

~~—(f)]~~ *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.*

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 has the competency to engage in the business of real estate; and

(b) Complete an examination, in the form of a questionnaire, and attain a score of at least 75 percent.

3. If the licensee fails the first such examination, he may take another one after at least ~~[2 weeks]~~ *10 days* have elapsed. If ~~[he]~~ *the licensee* fails the second examination ~~[, he may not take a third examination until 1 month has elapsed after the second examination. Subsequent examinations may not be taken more often than once each month. The division shall give the licensee written notice of the results of each examination and, if he was unsuccessful, describe the areas in which he is having problems and recommend texts for him to study. Completed examinations will not be made available for inspection or review by the licensee.]~~ *or any subsequent examinations, he may not take another examination until at least 30 days have elapsed after the last examination was taken.*

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. 16.** NAC 645.330 is hereby amended to read as follows:

645.330 In reviewing the application for reinstatement the division shall apply the same standards as are applied for original applicants. The division shall determine whether the application is accepted or denied within 10 days ~~[of]~~ *after the* determination by the division that the candidate has passed the questionnaire and the following has been received by the division, if so required:

1. The FBI report;
2. A *completed* financial statement ~~[-and]~~ *that is prepared on a form prescribed by the division;*
3. The required fees and forms ~~[-]~~ *;* *and*
4. *Such other information as may be requested by the division.*

**Sec. 17.** NAC 645.345 is hereby amended to read as follows:

645.345 If a *real estate* broker fails to renew his license, the ~~[licenses of all salesmen in his employ who have]~~ *license of a licensee with whom he is associated who has renewed that license* will immediately be placed on inactive renewed status until the ~~[employing]~~ *real estate* broker *with whom the licensee is associated* reinstates and renews his license, or the ~~[employee]~~ *licensee* applies for a transfer *to the association* of ~~[employer]~~ *another real estate broker* and pays the required fees.

**Sec. 18.** NAC 645.350 is hereby amended to read as follows:

645.350 *1.* If the license of a *real estate* broker is canceled, suspended or revoked, he shall deliver his license to the division with the ~~[licenses of his employees. The broker salesmen or salesmen]~~ *license of each licensee with whom he is associated. A licensee who is associated with the real estate broker* may, upon proper application and payment of the required fee,

transfer to the ~~[employ]~~ *association* of another *real estate* broker. No refund is made when a license is canceled, suspended or revoked.

*2. Upon the death of a licensee, the division shall cancel the license held by that licensee. The license may not be renewed or transferred.*

*3. A real estate salesman or broker-salesman may be temporarily licensed under another real estate broker or broker-salesman who is appointed for this purpose upon the death of the real estate broker under whom the real estate salesman or broker-salesman is licensed. Such an appointment must be made within 3 business days after the death of the real estate broker and may continue for a period of not more than 30 days. Notice of such an appointment must be submitted to the division, in writing, on the day that the appointment is made.*

**Sec. 19.** NAC 645.360 is hereby amended to read as follows:

645.360 1. ~~[If the division determines that a]~~ *The division may cancel a license if:*

*(a) A real estate broker has discontinued business at the address at which he is registered ~~[, or that a broker-salesman or salesman]~~;*

*(b) A licensee is no longer ~~[employed by]~~ associated with a real estate broker under whom he is shown to be licensed ~~[, and the facts have not been reported to the division by the licensee, the license involved may be canceled by the division.~~*

~~—2.— Each licensee,]~~ ;

*(c) A licensee, whether active or inactive, ~~[must]~~ fails to inform the division ~~[in advance of any]~~ within 10 days after a change in the address of his business or residence ~~[.]~~ ;*

*(d) A licensee has not paid the required fees;*

*(e) A licensee delivers a check to the division that is not honored by the financial institution upon which it is drawn; or*

*(f) A licensee fails to submit a request to the division as required by NAC 645.305 to change his license within 10 days after he changes his association, name or status.*

*2. A licensee whose license is canceled pursuant to this section must satisfy the applicable requirements for reinstatement as set forth in NAC 645.325 to have his license reinstated.*

**Sec. 20.** 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 ~~certified~~ financial statement showing beginning balances, receipts, expenditures, and ending balances of the real estate education, research ~~and~~ 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 and education. ~~[The administrator shall disburse this money only as authorized by the budget.]~~

**Sec. 21.** NAC 645.485 is hereby amended to read as follows:

645.485 1. In compromising a claim pursuant to NRS 645.845, the administrator may prepare and enter into a stipulation with the petitioner and file a joint petition with the court.

2. Before the administrator and the petitioner file such a joint petition, the administrator shall advise the petitioner in writing that:

(a) The division does not represent the interests of the petitioner; and

(b) The petitioner should seek the advice of independent legal counsel regarding the proposed compromise.

*3. The administrator shall compromise any claim and defend any action against the real estate education, research and recovery fund on behalf of the fund in which a settlement has*

*been agreed upon by the petitioner or paid to the petitioner, including, without limitation, any settlement by a third party that has been agreed upon by the petitioner or paid to the petitioner.*

**Sec. 22.** 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 the **[review]**:

*(a) Evaluation of any educational course, seminar or conference; or*

*(b) 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 commission will create and maintain a list of persons who are approved by the commission to serve on an advisory committee. 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 commission to serve on the advisory committee. The administrator shall appoint one member of the advisory committee to serve as chairman of the advisory committee.

4. A member of an advisory committee:

(a) Serves at the pleasure of the commission and without compensation; and

(b) Must abstain from participating in any proceeding in which he would be prohibited from participating if he were a member of the commission.



5. 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 official duties.

**Sec. 23.** NAC 645.493 is hereby amended to read as follows:

645.493 1. An advisory committee which is established to assist the administrator with the review of a matter that is the subject of an investigation conducted pursuant to NAC 645.680 shall:

(a) Review the written report submitted by an investigator pursuant to NAC 645.680 and any other information that is relevant to the matter to determine whether there is probable cause to show that the licensee who is the subject of the investigation has violated a provision of chapter 119, 119A, 119B or 645 of NRS or the regulations enacted pursuant to those chapters;

(b) Hold an informal conference in accordance with NAC 645.497;

(c) Work with the licensee who is the subject of the investigation to attempt to arrive at a recommendation for resolution of the matter ; ~~which is the subject of the investigation;~~ and

(d) Submit a recommendation for resolution of the matter to the administrator ~~;~~

*or recommend that the matter be submitted to the commission.*

2. If the administrator and the licensee who is the subject of the investigation accept the advisory committee's recommendation for resolution of the matter, the administrator shall enter into a written agreement with the licensee who is the subject of the investigation which must contain the terms of the resolution recommended by the advisory committee. If the agreement provides for disciplinary action that is authorized pursuant to NRS 645.630, the administrator may impose the discipline on behalf of the commission.

3. If disciplinary action is taken pursuant to this section against a licensee who is the subject of an investigation, the administrator shall file with the commission a written summary of the facts and disciplinary actions taken against the licensee.

4. If the administrator or the licensee who is the subject of the investigation ~~do~~ *does* not accept the advisory committee's recommendation for resolution of the matter, the administrator shall:

(a) Dismiss the matter which is the subject of the investigation. ~~It~~

(b) Negotiate a resolution of the matter with the licensee who is the subject of the investigation, which may include, without limitation, assessing administrative sanctions pursuant to NAC 645.695. ~~It~~ *A resolution negotiated pursuant to this paragraph is contingent upon the approval of the commission at a hearing in which the licensee who is the subject of the investigation is in attendance.*

(c) Schedule a hearing which must be conducted pursuant to NAC 645.810.

**Sec. 24.** NAC 645.497 is hereby amended to read as follows:

645.497 1. If an advisory committee is established to assist the administrator with the review of an investigation conducted pursuant to NAC 645.680, the administrator shall schedule an informal conference between the advisory committee and the licensee who is the subject of the investigation. The administrator shall provide written notice of the time and place of the conference to:

(a) Each member of the advisory committee;

(b) The licensee who is the subject of the investigation; and

(c) Each witness who has been requested to appear at the informal conference.

2. The advisory committee may request the attendance at an informal conference of any person whom the advisory committee believes to have information that is relevant to the matter.

3. When conducting an informal conference, an advisory committee:

(a) May consider all evidence that it deems relevant to the investigation;

(b) Shall rule on the admissibility of evidence;

(c) Shall be the controlling authority with regard to the admissibility of evidence; and

(d) Need not follow the rules of admissibility of evidence that a court must follow.

4. The chairman of an advisory committee shall file a written report with the administrator that explains the results of the informal conference within 30 days after the conclusion of the informal conference. ~~[The]~~ *Except as otherwise provided in NRS 645.180, the* report is and must remain confidential.

**Sec. 25.** NAC 645.600 is hereby amended to read as follows:

645.600 1. Every *real estate* broker shall teach ~~[his salesmen and broker-salesmen]~~ *the licensees associated with him* the fundamentals of real estate or timeshare practice, or both, and the ethics of the profession. He shall supervise their activities and the operation of his business.

*2. A licensee who is associated with a real estate broker shall submit reports to the real estate broker of the activities of the licensee for which a real estate license is required. The reports must be submitted at regular intervals established by the real estate broker but not less frequently than monthly.*

*3. The supervision described in subsection 1 includes, without limitation, the establishment of policies, rules, procedures and systems that allow the real estate broker to review, oversee and manage:*

*(a) The real estate transactions performed by a licensee who is associated with him;*

*(b) Documents that may have a material effect upon the rights or obligations of a party to such a real estate transaction;*

*(c) The filing, storage and maintenance of such documents;*

*(d) The handling by a licensee of money received on behalf of a real estate broker;*

*(e) The advertising by a licensee of any service for which a real estate license is required;*

*(f) The familiarization by the licensee of the requirements of federal and state law governing real estate transactions, including, without limitation, prohibitions against discrimination; and*

*(g) The activities reported to the real estate broker pursuant to subsection 2.*

*4. In establishing such policies, rules, procedures and systems, the real estate broker shall consider the number of licensees associated with the real estate broker and the number and location of branch offices operated by the real estate broker.*

*5. A real estate broker shall establish a system for monitoring compliance with such policies, rules, procedures and systems. The real estate broker may use a real estate broker-salesman to assist in administering the provisions of this section so long as the real estate broker does not relinquish overall responsibility for the supervision of the acts of the licensees associated with the real estate broker.*

*6. A real estate broker may enter into an agreement with each licensee associated with the real estate broker to retain the licensee as an independent contractor. If such an agreement is entered into, it must:*

*(a) Be signed and dated by the real estate broker and the licensee; and*

*(b) Include the material aspects of the relationship between the real estate broker and the licensee, including, without limitation, the supervision by the real estate broker of the activities of the licensee for which a real estate license is required.*

**Sec. 26.** NAC 645.605 is hereby amended to read as follows:

645.605 In determining whether a licensee has been guilty of gross negligence or incompetence under *paragraph (h) of subsection [8] 1 of NRS 645.633* or conduct which constitutes deceitful, fraudulent or dishonest dealing under *paragraph (i) of that subsection , [9 of NRS 645.633.]* the commission will consider, among other things, whether the licensee:

1. Has done his utmost to protect the public against fraud, misrepresentation or unethical practices related to real estate or time shares.
2. Has ascertained all pertinent facts concerning any time share or property for which he accepts an agency.
3. Has attempted to provide specialized professional services concerning a type of property or service that is outside of his field of experience or competence without the assistance of a qualified authority unless the facts of such lack of experience or competence are fully disclosed to his client.
4. Has disclosed in writing, his interest or contemplated interest in any property or time share with which he is dealing. The disclosure must include, but is not limited to, a statement of:
  - (a) Whether he expects to receive any direct and indirect compensation, dividends and profits from any person or company who will perform services related to the property and, if so, the identity of the person or company;
  - (b) His affiliation with or financial interest in any person or company who furnishes services related to the property;

(c) If he is managing the property, his interest in or financial arrangement with any person or company who provides maintenance or other services to the property;

(d) If he refers one of his clients or customers to another person or company, such as a contractor, title company, attorney, engineer or mortgage company, his expectation of a referral fee from that person or company; and

(e) If he receives compensation from more than one party in a *real estate* transaction, full disclosure to and consent from each party to the *real estate* transaction. A licensee shall not accept compensation from more than one party in a *real estate* transaction, even if otherwise permitted by law, without full disclosure to all parties.

5. Has kept informed of current statutes and regulations governing real estate, time shares and related fields in which he attempts to provide guidance.

6. Has breached his obligation of absolute fidelity to his principal's interest or his obligation to deal fairly with all parties to a *real estate* transaction.

7. Has ensured that each agreement for the sale, lease or management of property or time shares is contained in a written agreement and that his *real estate* broker and each party to the *real estate* transaction has a copy of the written agreement.

8. Has obtained all changes of contractual terms in writing and whether such changes are signed or initialed by the parties concerned.

9. Understands and properly applies federal and state statutes relating to the protection of consumers.

10. Has acquired knowledge of all material facts that are reasonably ascertainable and are of customary or express concern and has conveyed that knowledge to the parties to the *real estate* transaction.

*11. Has impeded or attempted to impede any investigation of the division by:*

*(a) Failing to comply or delaying his compliance with a request by the division to provide documents;*

*(b) Supplying false information to an investigator, auditor or any other officer of the division;*

*(c) Providing false, forged or altered documents; or*

*(d) Attempting to conceal any documents or facts relating to a real estate transaction.*

**Sec. 27.** NAC 645.610 is hereby amended to read as follows:

645.610 1. In ~~[any advertisement through which a licensee offers to perform]~~ *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 ~~[, he shall disclose, if he is a real estate broker, the name under which he does business or, if he is one of the other licensees, the name of the broker with whom he is associated.~~*

~~—2.— A broker salesman or salesman may not advertise solely under his own name when acting in the capacity of a broker salesman or salesman. All such advertising must be under the direct supervision of and in the name of the broker. A broker salesman or salesman who advertises under the name of the broker with whom he is associated must use the name of the broker that is approved by and registered with the division.~~

~~—3.] must not be false or misleading.~~

*(b) A licensee ~~[may]~~ shall not use his name ~~[, address]~~ or telephone number, or the ~~[corporate or fictitious name under which a broker does business,]~~ *name or telephone number of another**

*licensee or the brokerage firm with which he is associated* in any advertisement which contains the words “for sale by owner,” “for lease by owner” or similar words.

~~[4.— If the name of a real estate broker-salesman or salesman appears in such an advertisement (including a sign), the real estate company’s]~~

(c) *The name of a brokerage firm under which a real estate broker does business or with which a real estate broker-salesman or salesman is associated* must be clearly identified with prominence in ~~[relation to]~~ *any advertisement that includes* the name of the *real estate broker, real estate broker-salesman or salesman*. ~~[All such advertisements must include the telephone number of the real estate company, if required by the broker.]~~ *In determining whether the name of the brokerage firm is identified with prominence, the division will 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.*

2. *As used in this section, “advertisement” includes, without limitation, any communication:*

(a) *Published by radio, television or electronic means; and*

(b) *Printed on business cards, stationery, signs, billboards or forms and other documents used in a real estate transaction.*

**Sec. 28.** NAC 645.637 is hereby amended to read as follows:

645.637 In each real estate transaction involving a licensee, as agent or principal, the licensee shall clearly disclose, in writing, to the buyer and seller and the lessor and lessee, his relationship as the agent of the buyer or the seller, or his status as a principal. The disclosure must be made as soon as practicable, but not later than the date and time on which ~~[a written agreement]~~ *any written document* is signed by the buyer or seller, or both, or the lessor or lessee,



or both. The prior disclosure must then be confirmed in a separate provision incorporated in or attached to that ~~[agreement]~~ *document* and must be maintained by the *real estate* broker in his files relating to that transaction.

**Sec. 29.** NAC 645.655 is hereby amended to read as follows:

645.655 1. A *real estate* transaction of a licensee must be numbered consecutively or indexed to permit audit by a representative of the division.

2. A complete record of each *real estate* transaction, together with records required to be maintained pursuant to NRS 645.310, must be ~~[kept in Nevada, and must be open]~~ :

*(a) Kept in this state; and*

*(b) Open* to inspection and audit by the division upon its request during its usual business hours, as well as other hours during which the licensee regularly conducts his business.

3. *If any records the division requests to inspect or audit pursuant to subsection 2 are stored electronically, access to a computer or other equipment used to store the information must be made available to the division for use in its inspection or audit.*

4. The licensee shall give written notice to the division of the exact location of his records and may not remove them until he has delivered a notice which informs the division of the new location.

~~[4.]~~ 5. A licensee shall not maintain a custodial or trust account from which money may be withdrawn without the signature of a licensee.

~~[5.]~~ 6. A *real estate* salesman may not be the only required signatory on a custodial or trust fund account. A *real estate* salesman may be a cosigner of an account with his *real estate* broker.

~~[6.]~~ 7. A *real estate* broker who files for relief under the bankruptcy laws of the United States shall immediately terminate each trust account established pursuant to NRS 645.310 and

deposit all money from each trust account into escrow with executed instructions to the escrow agent or officer to disburse the funds pursuant to the agreement under which the money was originally deposited.

~~[7.]~~ **8.** A *real estate* broker who is engaged in property management for one or more clients shall maintain a separate property management trust account distinct from any trust account that the *real estate* broker may have for other *real estate* transactions. A *real estate* broker shall maintain a ledger account for each unit of property he manages regardless of whether the client owns more than one unit under the *real estate* broker's management. All rents and deposits for each unit must be deposited into and credited to each property's management trust account and all authorized repairs and expenses must be paid out of the corresponding ledger account. For the purposes of this subsection, "unit" means one single-family dwelling unit.

~~[8.]~~ **9.** Property management and *real estate* transaction trust accounts must be reconciled monthly by the *real estate* broker or his designee within 30 days ~~[of]~~ *after* receipt of the bank statement. If a *real estate* broker permits any trust account, including any ledger account, to fall into deficit and remain in deficit for more than 45 consecutive days in 1 year, he will be subject to discipline pursuant to *paragraph (h) of* subsection ~~[8]~~ **1** of NRS 645.633, or subject to other applicable charges, or both.

**Sec. 30.** NAC 645.695 is hereby amended to read as follows:

645.695 1. The administrator may require a licensee to pay an administrative fine in the amount set forth in this subsection for a violation ~~[of]~~ *after* the following provisions:

First	Second or
Offense	Subsequent Offense

NRS 645.252.....	\$500	\$1,000
Subsection 4, 5 or 6 of NRS 645.310.....	<del>500</del> <b>1,000</b>	<del>1,000</del> <b>2,000</b>
NRS 645.530.....	100 per license	200 per license
NRS 645.550.....	500	1,000
NRS 645.560.....	500	1,000
Subsection 1 of NRS 645.570.....	250	500
Subsection 1 of NRS 645.580.....	250	500
Subsection 1, 2, 3, 5, 6, <del>8,</del> 9, 10, 11 or 12 of NRS 645.630.....	500	1,000
Subsection 7 <b>or 8</b> of NRS 645.630 .....	1,000	2,000
<del>Subsection 3, 5, 7 or 8</del> <b>Paragraph (c), (e), (g), (h), (j) or (l) of subsection 1</b> of NRS 645.633	500	1,000
<del>Subsection 6</del> <b>Paragraph (a), (f) or (k) of subsection 1</b> of NRS 645.633 .....	250	500
<b>Paragraph (i) of subsection 1 of NRS 645.633</b>	<b>1,000</b>	<b>2,000</b>
Subsection 1, 2, <b>4</b> , 5, 6 or 8 of NRS 645.635.	500	1,000
NRS 645.660.....	500	1,000
NAC <del>645.180</del> <b>645.185</b> .....	500	1,000
<del>Subsection 1, 2 or 4 of NAC 645.610.....</del>	<del>250</del>	<del>500</del>
<del>Subsection 3 of] NAC 645.610.....</del>	500	1,000
<del>NAC 645.615.....</del>	<del>250</del>	<del>500</del>

<i>NAC 645.620</i> .....	<i>500</i>	<i>1,000</i>
NAC 645.625 .....	250	500
NAC 645.627 .....	500	1,000
NAC 645.637 .....	250	500
NAC 645.640 .....	500	1,000
NAC 645.645 .....	500	1,000
NAC 645.650 .....	500	1,000
NAC 645.655 .....	<del>[250]</del> <i>500</i>	<del>[500]</del> <i>1,000</i>

2. In addition to imposing an administrative fine pursuant to subsection 1, the administrator may:

(a) Recommend to the commission that the license of the licensee, the permit of the licensee if he holds a permit to engage in property management, or both, be suspended or revoked ; ~~[if the licensee is found guilty of a third or subsequent offense of any of the provisions set forth in subsection 1.]~~

(b) Require a licensee to complete ~~[not more than 9 hours of]~~ continuing education ~~[.]~~ ; *or*

*(c) Take any combination of the actions set forth in paragraphs (a) and (b).*

**Sec. 31.** NAC 645.750 is hereby amended to read as follows:

645.750 1. A ~~[salesman or broker-salesman]~~ *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. ~~[Salesmen or broker-salesmen]~~ A *licensee* employed by ~~[a registered]~~ an owner-developer may not be ~~[employed by]~~ *associated with* a real estate broker at the same time.

3. ~~[Brokers]~~ *Real estate brokers* working for ~~[registered]~~ owner-developers must change their status to *real estate* broker-salesmen.

4. An employee of an owner-developer is prohibited from erecting, displaying or maintaining any sign or billboard or advertising under his own name unless the advertisement is located at the office of his 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 ~~[salesman or broker-salesman]~~ *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 he 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 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-salesman or salesman in private practice.

**Sec. 32.** NAC 645.782 is hereby amended to read as follows:

645.782 1. The division will reject an application which:

(a) Does not conform with the requirements of NRS 645.6065;

(b) Does not include information sufficient for the division to determine the minimum amount of the bond or other deposit to be posted pursuant to NRS 645.608; or

(c) Contains information which is false, misleading ~~[,]~~ or incomplete.

2. ~~[Except as otherwise provided in subsections 3 and 4, the]~~ *The* division will not refund the fee for the application for registration.

~~[3.— The division will refund the portion of the fee that is attributable to the cost of the investigation if the investigation was not conducted by the Federal Bureau of Investigation.~~

~~—4.— If an applicant reapplies within 90 days after the rejection of his application, the division will give him credit for the fee that he paid with the original application.]~~

**Sec. 33.** NAC 645.800 is hereby amended to read as follows:

645.800 1. Except as otherwise provided in subsection 2, ~~[and NAC 645.801,]~~ a person who wishes to obtain a permit to engage in property management must submit to the division:

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

(b) A fee of \$40; and

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

2. If the license of the person as a real estate broker, real estate broker-salesman or real estate salesman expires less than a year before the date he applies for the initial issuance of a permit, the fee for a permit is \$20.

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

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

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

(1) Maintenance of real property;

(2) 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.

4. The division will not accept a course consisting of 45 hours of classroom instruction in property management that is offered to a real estate salesman to obtain a license as a real estate broker-salesman or a license as a real estate broker to fulfill any part of the 24 classroom hours of instruction required by paragraph (a) of subsection 2 of NRS 645.6052 unless the certificate of completion of the course indicates that the course has been approved by the commission to fulfill all or part of the 24 classroom hours of instruction required by paragraph (a) of subsection 2 of NRS 645.6052.

5. 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 3, if the successful completion of that course would qualify the applicant to engage in property management pursuant to the requirements of that organization.

6. The applicant must complete the hours of instruction set forth in paragraphs (d), (e), (f) and (g) of subsection 3 at an accredited educational institution in this state.



7. 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.

8. 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 with a score of at least 75 percent that:

(a) Includes the subject matter presented in the hours of instruction required pursuant to subsection 3; and

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

**Sec. 34.** NAC 645.810 is hereby amended to read as follows:

645.810 1. The presiding officer of a hearing shall do the following:

(a) Ascertain whether all persons commanded to appear under subpoena are present, and whether all documents, books, records ~~[,]~~ and other evidence under subpoena are present in the hearing room.

(b) Administer the oath to the reporter as follows:

Do you solemnly swear or affirm that you will report this hearing to the best of your stenographic ability ? ~~[, so help you God?]~~

(c) Administer the oath to all persons whose testimony will be taken:

Do you and each of you solemnly swear or affirm to tell the truth and nothing but the truth in these proceedings ? ~~[, so help you God?]~~

(d) Ascertain whether either party desires to have a witness excluded from the hearing ~~from until he is called.~~ *except during the testimony of the witness.* A witness may be excluded upon the motion of the commission or upon the motion of either party. *If a witness is excluded, he will be instructed not to discuss the case during the pendency of the proceeding. The respondent will be allowed to remain present at the hearing. The division may designate a person who is a member of the staff of the division and who may also be a witness to act as its representative. Such a representative will be allowed to remain present at the hearing.*

(e) Ascertain whether a copy of the complaint or decision to deny has been filed and whether an answer has been filed as part of the record in the proceedings.

(f) *Hear any preliminary motions, stipulations or orders upon which the parties agree and address any administrative details.*

(g) Request the division to proceed with the presentation of its case.

2. The division may not submit any evidence to the commission before the hearing except for the complaint and answer.

3. The respondent may cross-examine witnesses in the order that the division presents them.

4. Witnesses or counsel may be questioned by the members of the commission at any time during the proceeding.

5. Evidence which is to be introduced ~~must~~:

(a) *Must* first be marked for identification by the secretary for the commission ~~and~~; *and*

(b) *May be received by the commission at any point during the proceeding.*

6. When the division has completed its presentation, the presiding officer shall request the respondent to proceed with the introduction of evidence and calling of witnesses on his behalf.

7. The division may cross-examine witnesses in the order that the respondent presents them.

8. When the respondent has completed his presentation, the division may call any rebuttal witnesses.

9. When all testimony for the division and respondent has been given and all evidence submitted, the presiding officer may request the division and the respondent to summarize their presentations.

10. The ~~presiding officer shall indicate for the record that the hearing is terminated, and that the commission will issue a decision after considering all the evidence. After presentation of the case by the division and the respondent and closing arguments by either party, if any, a recess may be ordered for the purpose of coming to a decision.~~

~~11.]~~ *commission may waive any provision of this section if necessary to expedite or ensure the fairness of the hearing.*

*11.* The date of decision for the purpose of subsection 2 of NRS 645.760 is the date the written decision is signed by a commissioner or filed with the commission, whichever occurs later in time.

12. In the absence of the president of the commission, any matter which must be acted upon may be submitted to the vice president or to the secretary.

13. Upon the presentation of evidence that the respondent received notice of the hearing and has not filed an answer within the time prescribed pursuant to NRS 645.685, his default may be entered and a decision may be issued based upon the allegations of the complaint.

**Sec. 35.** NAC 645.830 is hereby amended to read as follows:

645.830 The procedures for obtaining and granting continuances of commission hearings ~~follow:]~~ *are as follows:*

1. The time of the hearing may be continued by the commission upon the written petition of the licensee or upon the written petition of the division for good cause shown, or by stipulation of the parties to the hearing.

2. A continuance will not be granted on the grounds that the licensee's attorney has not had an opportunity to review the case unless he was given the case by the licensee less than 15 days before the hearing.

3. A continuance will not be granted unless it is made in good faith and not merely for delay.

*4. A request for a continuance made before the hearing must be served upon the commission as set forth in subsection 4 of NRS 645.050. If the secretary of the commission is not available to review and rule upon the continuance before the hearing, the continuance must be reviewed and ruled upon by the:*

*(a) President of the commission; or*

*(b) If the president is unavailable, the vice president of the commission.*

**Sec. 36.** NAC 645.012, 645.015, 645.130, 645.135, 645.160, 645.165, 645.170, 645.365, 645.370, 645.720, 645.801, 645.803 and 645.910 are hereby repealed.

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## TEXT OF REPEALED SECTIONS

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**645.012 “Associate broker” defined.** “Associate broker” means one of two or more individual brokers in an association.

**645.015 “Association” defined.** “Association” means two or more brokers who:

1. Are natural persons;
2. Are operating individually but under a common name;
3. Are not partners; and
4. Share office space, whether or not they have any agreement to share office expenses or

income.

**645.130 Application for examination.**

1. The application provided by the division requires the following information:

- (a) The applicant’s name;
- (b) The applicant’s social security number;
- (c) One recent photograph of the applicant; and
- (d) Such other pertinent information as the division may require.

2. An application form is valid for only 1 year from the date of filing, and the division may require that a supplemental form be completed by an applicant to ensure that all required information is current.

3. An original or subsequent application for examination must be filed by the date established by the division.

**645.135 Requirement of minimum age.** An application will not be accepted from a person under the age of 17 years for a license to engage in the business of real estate. A license will not be issued to a person under the age of 18 years.

**645.160 Denial of application.**

1. The division may deny any application for a license when one or more of the following conditions exist:

- (a) The application is not in proper form;
- (b) The proper fees are not enclosed;
- (c) The accompanying forms are incomplete or otherwise unsatisfactory;
- (d) The application contains a false statement;
- (e) Other deficiencies appear in the application;
- (f) An investigation fails to show affirmatively that the applicant possesses the necessary qualifications;
- (g) The applicant has willfully acted or attempted to act in violation of chapter 119, 119A, 645 or 645A of NRS or the regulations promulgated thereunder, or has willfully aided and abetted another to act or attempt to act in violation of those chapters or regulations;
- (h) The applicant has had a license suspended or revoked in another state; or
- (i) The check used in paying an examination or license fee is not honored by the financial institution upon which it is drawn.

2. An applicant whose application is denied by the division may appeal the denial to the commission as provided in NRS 645.440. If the commission reverses the original decision and determines that the petitioner qualifies for a license, the application may be accepted as of the date of its original submission and no additional fee will be charged.

**645.165 Verification of prospective employment.** Any applicant for a license as a broker-salesman or salesman, upon receiving notice that he has passed the examination and that the division has approved the issuance of a license to him, shall provide the division with a verified statement from his prospective employing broker:

1. Containing the name and place of business of the person, firm, partnership, association or corporation which plans to employ the applicant, or into whose service the applicant is about to enter; and

2. Recommending that the license be issued to the applicant.

**645.170 Payment of fees.** The examination fee is payable at the time of filing. If an applicant postpones his examination and notifies the division at least 30 days before the date of the examination, the examination fee may be applied to a subsequent examination which the applicant wishes to take. An examination may be postponed only once.

**645.365 Failure to pay fee for license.** A license will be canceled by the division during any period in which the licensee has not paid the proper fees.

**645.370 Disciplinary action for dishonor of check.** A license will be canceled, revoked, or suspended, or the licensee fined, or the license canceled, revoked, or suspended and the licensee fined, if a licensee delivers any check to the division which is not honored by the financial institution upon which it is drawn.

**645.720 Approval or denial of application.**

1. Each of the following circumstances is a ground for denial of an application for registration as an owner-developer:

(a) The application is not in proper form.

(b) The application contains a false statement.

(c) The applicant does not possess the necessary qualifications of good moral character and financial responsibility.

(d) He has willfully acted or attempted to act in violation of any provision of chapter 119, 119A, 645, or 645A of NRS or the regulations adopted thereunder or has aided and abetted

another to act or attempt to act in violation of any provision of chapter 119, 119A, 645, or 645A of NRS or the regulations adopted thereunder.

(e) He fails to verify that he is a licensed contractor in this state.

2. The administrator shall investigate the financial responsibility of each applicant.

3. The administrator may require proof of the applicant's moral character. In determining that character, the administrator shall consider:

(a) The information contained in the application;

(b) The results of the division's investigation of matters stated in the application and other matters that have come to the division's attention as a result of the division's investigation;

(c) Any history of the applicant's arrest and conviction; and

(d) The nature and history of the applicant's business.

4. An applicant whose application for registration is denied by the administrator may appeal to the commission pursuant to the procedures outlined in NRS 645.440.

**645.801 Examination on principles of property management: Fee; time period for test; educational requirements; failure of test. (NRS 645.190, 645.6052)**

1. A person who is licensed in this state as a real estate broker, real estate broker-salesman or real estate salesman on July 1, 1998, and who wishes to take an examination on the principles of property management to fulfill the educational requirements for a permit to engage in property management set forth in NRS 645.6052 and NAC 645.800 must pay to the division a fee of \$50 in addition to the fee for the permit required by NAC 645.800.

2. The test:

(a) Will be given only from July 1, 1998, to June 30, 1999;

(b) May only be taken one time during the period set forth in paragraph (a); and



(c) Will be based on the educational requirements set forth in NAC 645.800.

3. A person who fails the test and wishes to obtain a permit to engage in property management must meet the requirements set forth in NAC 645.800.

**645.803 Grounds for denial of permit; appeal. (NRS 645.190, 645.6052)**

1. The division may deny an application for a permit to engage in property management if one or more of the following conditions exist:

(a) The application is not in proper form;

(b) The proper fees are not enclosed;

(c) The accompanying forms are incomplete or otherwise unsatisfactory;

(d) The application contains a false statement;

(e) Other deficiencies appear in the application;

(f) An investigation fails to show affirmatively that the applicant possesses the necessary qualifications;

(g) The applicant has willfully acted or attempted to act in violation of chapter 119, 119A, 645 or 645A of NRS or the regulations adopted pursuant thereto, or has willfully aided and abetted another to act or attempt to act in violation of those chapters or regulations;

(h) The applicant has had a license suspended or revoked in another state; or

(i) The check used to pay the fee for the application for a permit is not honored by the financial institution upon which it is drawn.

2. An applicant whose application is denied by the division may appeal the denial to the commission as set forth in NRS 645.440. If the commission reverses the original decision and determines that the petitioner qualifies for a permit, the division shall accept the application. The permit shall be deemed to be effective on the date the application was originally submitted or the

date on which the fee for the permit was paid, whichever is later. The division shall not charge an additional fee.

**645.910 Payment of fees.**

1. Payment of a fee for an examination or license must be made by check or money order.
2. The division will not refund any such fees.