

**LCB File No. R177-01**

**PROPOSED REGULATION OF THE REAL ESTATE DIVISION OF THE  
DEPARTMENT OF BUSINESS AND INDUSTRY**

**NOTICE OF INTENT TO ACT UPON A REGULATION**

**NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT AND REPEAL OF  
REGULATIONS OF THE NEVADA REAL ESTATE DIVISION**

The Nevada Real Estate Division of the Department of Business & Industry of the State of Nevada (the "Division") will hold a public hearing at 1:00 pm on December 21, 2001, at the Department of Business & Industry, 788 Fairview Drive, Hearing Room, Carson City, Nevada and video-linked with Department of Business & Industry, 2501 E. Sahara Avenue, Hearing Room, Las Vegas, Nevada. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to chapter 645D of the Nevada Administrative Code.

**DECEMBER 21, 2001 @ 1:00 P.M. TO 4:00 P.M.**

**CARSON CITY:**

DEPT. OF BUSINESS & INDUSTRY  
788 FAIRVIEW DRIVE  
HEARING ROOM  
CARSON CITY, NV 89701

**LAS VEGAS:**

DEPT. OF BUSINESS & INDUSTRY  
2501 E. SAHARA AVENUE  
HEARING ROOM  
LAS VEGAS, NEVADA 89104

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

**Information Regarding Adoption**

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

**Information about Proposed Regulations**

1. Purpose and need of the Proposed Regulations. The Division is the agency, which administers the licensing, education and compliance program under NRS645D. The purpose of the

regulations is to define and clarify the rights and responsibilities of persons licensed under this chapter.

2. Terms of the proposed regulations. The regulations to be adopted are stated as follows this informational statement.

3. Estimated Economic Effect. Educational providers will have to bear the new application fee cost in order to have their courses reviewed and approved by the Division.

4. Estimated Cost to the Agency. Additional staff time will be required to review and approve the submissions for course approvals. That cost will be offset by the application fee to be charged.

5. Duplication with other Agencies: None known at this time.

6. Federal Law. None.

7. Federal Regulation. None.

8. New Fee Established. Fees for submitting pre-licensing and continuing educational courses for review and approval by the division.

### **Comments and Written Submissions**

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

**Nevada Real Estate Division  
Bradley Building  
2501 E. Sahara Avenue, Room 102  
Las Vegas, NV 89104-4137  
Attn: Tami DeVries, Legal Administrative Officer**

Written submissions must be received by the Division by **DECEMBER 7, 2001**. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

### **Copies of Proposed Regulation**

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours.

Additional copies of the notice and the proposed regulation will be available at the following Division offices:

Nevada Real Estate Division  
788 Fairview Drive, Suite 200  
Carson City, NV 89701-5453

Nevada Real Estate Division  
Bradley Building  
2501 East Sahara, Suite 100  
Las Vegas, NV 89104-4137

Or by visiting the Real Estate Division WebPages at: [www.red.state.nv.us](http://www.red.state.nv.us)

And in counties in which an office of the Division is not maintained, at the main public library, for inspection and copying by members of the public during business hours. The text of each regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at <http://www.leg.state.nv.us>. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

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

### **Posting**

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

Nevada Real Estate Division  
788 Fairview Drive, Suite 200  
Carson City, NV 89701

Nevada Real Estate Division  
Bradley Building  
2501 East Sahara, Suite 202  
Las Vegas, NV 89104-4137

Elko Conference Center  
700 Moren Way (Silver Room)  
Elko, NV

State Library  
100 Stewart Street  
Carson City, NV 89701

Churchill County Library  
553 South Maine Street  
Fallon, NV 89406

Douglas County Library  
1625 Library Lane  
Minden, NV 89423

Elko County Library  
720 Court Street  
Elko, NV 89801

Goldfield Public Library  
Fourth & Crook Street  
Goldfield, NV 89013

Eureka Branch Library  
10190 Monroe Street  
Eureka, NV 89316

Humboldt County Library  
85 East 5<sup>th</sup> Street  
Winnemucca, NV 89445

Lincoln County Library  
93 Main Street  
Pioche, NV 89043

Lyon County Library  
20 Nevin Way  
Yerington, NV 89447

Tonopah Public Library  
171 Central Street  
Tonopah, NV 89049

Washoe County Library  
301 South Center Street  
Battle Mountain, NV 89820

Battle Mountain Library  
625 Broad Street  
Battle Mountain, NV 89820

Storey County Library  
95 South R Street  
Virginia City, NV 89440

Mineral County Library  
First & A Street  
Hawthorne, NV 89415

Pershing County Library  
1125 Central Avenue  
Lovelock, NV 89419

White Pine County Library  
950 Campton Street  
Ely, NV 89301

**LCB File No. R177-01**

**PROPOSED REGULATION OF THE REAL ESTATE DIVISION OF THE  
DEPARTMENT OF BUSINESS AND INDUSTRY**

**Authority: NRS 645D.120**

Note: Matter italicized and bold is new; matter in brackets [ ] is material to be omitted.

**Section 1.** Chapter 645D of NAC is hereby amended by adding thereto section(s) 2 through 29, of these proposed regulations.

**Sec. 2.** *“Distance education course” defined. “Distance education course” means a course of instruction in which the pupil receives instruction at a location at which the instructor is not physically present. Such a course may include, without limitation, instruction provided via CD-ROM, the Internet or videoconference.*

**EDUCATION TO OBTAIN CERTIFICATE**

**Sec. 3.** *“School” defined. For the purposes of Sections \_\_\_\_\_ to \_\_\_\_\_ inclusive, “school” includes:*

- 1. The University of Nevada, or any other university or college with the same or an equivalent accreditation.*
- 2. Any professional school or college licensed by the division on postsecondary education.*
- 3. A nationally recognized organization of real property inspectors.*

**Sec. 4.** *Approval of school required; application for approval. Before any school offers or conducts a course of instruction designed to fulfill the educational requirements for certification under chapter 645D of NRS, the school must be approved by the division. The application for approval must be made on a form prescribed by the division. The application must include the following information in determining the school’s eligibility for approval:*

- 1. The name and address of the school;*
- 2. The type of school and a description of its facilities;*
- 3. The names of the owners of the school, including, if applicable, the name of the business organization which owns the school and the names and addresses of all directors, principals, officers, and other persons having interests as owners;*
- 4. A list of the instructors and evidence of their qualifications;*
- 5. A list of the courses to be offered and a topical syllabus for each course;*
- 6. The allotment of time for each subject taught;*
- 7. A proposed schedule of courses for 1 year;*
- 8. The titles, authors and publishers of all required textbooks;*
- 9. A copy of an examination and the correct answer for each question; and*
- 10. 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.*

**Sec. 5. Conditions of approval of school.** *If a school has applied for and received the division's approval to offer courses to meet requirements for certification under chapter 645D of NRS, the school shall, as a condition of the approval:*

*1. Maintain a record of each student's attendance and certification in any of those courses. The records must be maintained for 3 years after his enrollment and must be open for inspection by the division, upon its request, during the school's business hours.*

*2. Upon a transferring student's request, furnish the school to which he is transferring a copy of his attendance record and certification for each of those courses which he has completed.*

*3. Upon a student's request, furnish the division a transcript of the record of his grades and attendance.*

**Sec. 6. Educational requirements of approved schools.**

*1. A school which the division has approved to give a course fulfilling the educational requirements for original certification shall require each student to attend the required number of hours of instruction and pass an examination in the course.*

*2. The school may certify only the number of hours for which the course has been approved by the division.*

*3. The completion of a portion of a course is not acceptable to satisfy certification requirements.*

*4. As used in this section, an "hour of instruction" means 50 minutes or more. Fifteen hours of instruction equal one semester credit.*

**Sec. 7. Denial or withdrawal of approval.**

*1. If a school's application for approval of a course is denied or if the Administrator determines that an approved course or school no longer complies with the standards prescribed in this chapter and the course or school approval is withdrawn, the school may file a written request, with the division, for a hearing before a hearing officer. The request must be filed within 20 calendar days after receiving the order of denial. The hearing officer will hold the hearing within 90 calendar days after the request for hearing is filed unless the school makes a written request for a continuance and that request is granted. The hearing officer will decide the matter within 90 calendar days after the hearing.*

**Sec. 8. Approved schools: Advertising.** *A school approved by the division shall not make any misrepresentation in its advertising about any course of instruction which it offers to fulfill requirements for certification under this chapter. Any advertisement must specify that such courses have been approved by the division.*

**Sec. 9. *Approved schools: Instructors.***

*1. A school which conducts courses approved by the division shall employ as instructors of those courses only persons who possess:*

*(a) A good reputation for honesty, integrity and trustworthiness; and*

*(b) At least one of the following qualifications, unless granted a special exemption by the division:*

*(1) Current experience teaching subjects relating to the inspection of real estate in the University and Community College System of Nevada or another institution which awards degrees. The person must demonstrate to the satisfaction of the division the academic training or work experience that qualifies him to teach the course.*

*(2) Five years of full-time experience, other than in a secretarial position, working in a job directly related to the subject taught.*

*(3) Have a bachelor's degree in the field in which the person is instructing.*

*(4) Three years of experience teaching the specific subject.*

*2. Such a school shall limit guest lecturers who are not approved by the division to a total of 10 percent of the instructional hours per approved course. A guest lecturer must be an expert in the subject that he teaches.*

*3. Such a school shall not employ, without the approval of the division, an instructor who has been subject to discipline by any licensing authority within the 5 years immediately preceding the employment, or who has been subject to discipline by the division more than twice.*

**Sec. 10. *Revocation of approval of instructor; notice; appeal; hearing.***

*1. The division may revoke its approval of a particular instructor who is employed by a school which conducts courses approved by the division if:*

*(a) Any licensing authority has taken disciplinary action against the instructor; or*

*(b) After an audit of the course and review of the evaluations of the course, the division concludes that the instructor is not qualified to instruct the course.*

*2. The division shall give the instructor and school written notice that it has revoked the approval of the instructor. The written notice must specify the reason for the revocation.*

*3. The instructor may appeal the decision of the division to revoke his approval by making a written demand to the division for a hearing, before a hearing officer, within 20 calendar days after the instructor receives the written notice pursuant to subsection 2.*

*4. Within 90 days after receipt of a written demand for such a hearing, the hearing will hold a hearing in the same manner prescribed in NAC 645D.700.*

**Sec. 11. *Required instruction: Certification as certified residential inspector.***

*A course of instruction, in order to comply with the requirements of NAC 645D.210, for an applicant for a certification as a certified residential inspector, must consist of at least 40 hours of instruction in the classroom, including instruction relating to the inspection of structures pursuant to the requirements of NAC 645D.480 through NAC 645D.580.*

**Sec. 12. *Required instruction: Certification as certified general inspector.***

*A course of instruction, in order to comply with the requirements of NAC 645D.220, for an applicant for a certification as a certified general inspector, must consist of at least 50 hours*

*of instruction in the classroom, including instruction relating to the inspection of structures pursuant to the requirements of NAC 645D.480 through NAC 645D.580.*

**Sec. 13. Required instruction: Certification as a certified master inspector.**

*A course of instruction, in order to comply with the requirements of NAC 645D.230, for an applicant for a certification as a certified master inspector, must consist of at least 60 hours of instruction in the classroom, including instruction relating to the inspection of structures pursuant to the requirements of NAC 645D.480 through NAC 645D.580.*

**Sec. 14. Restrictions on disclosure of examinations to persons associated with school.**

*1. An owner, instructor, or affiliate of a school approved by the division or other person associated with the school shall not take an examination for a certificate as an inspector conducted by the division or its agent unless he first submits to the division:*

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

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

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

*(a) Solicit information from any person to discover past questions asked on any such examination; or*

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

**Sec. 15. Notice of changes in school; annual renewal of approval.**

*1. Within 15 calendar days after the occurrence of any material change in the school which would affect its approval by the division, the school shall give the division written notice of that change.*

*2. To qualify for annual renewal of approval by the division, a school must submit to the 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; and*

*(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.*

*3. The division may deny renewal of approval to any school that does not meet the standards required by this chapter.*

*4. Within 60 calendar days after a decision is made to deny renewal of approval, the division will send written notice of the decision and the basis for that decision by certified mail to the last known address of the school.*

## CONTINUING EDUCATION

**Sec. 16. Standards for courses.**

*1. Courses for continuing education must contain:*

*(a) Current information on inspection practices which will improve the professional knowledge of the holder of a certificate and enable him to provide better service to the public.*

*(b) Information that pertains to pertinent state and federal laws and regulations relating to inspections or inspection practices.*



2. *The division considers courses in the following areas to be acceptable for continuing education:*

- (a) Legislative issues which concern the practice of inspection or holders of certificates, including, without limitation, pending and recent legislation;*
- (b) The administration of laws and regulations governing inspections, including, without limitation, certification, enforcement, office management and employees' contracts;*
- (d) The relationship of the inspection report to the real estate transaction;*
- (e) The evaluation of the structure and its components, including, without limitation, evaluations of those items covered in NAC 645D.480 through NAC 645D.580 and studies of feasibility;*
- (f) Real estate and inspection mathematics;*
- (g) Nature of inspections;*
- (h) The purpose and use of inspections;*
- (i) Methods of inspection; and*
- (j) Construction.*

3. *If the sponsor agrees to comply with all other requirements of approval, the division will accept without specific approval any course in inspection practices or directly related subjects if the course has been previously approved by the division.*

**Sec. 17. Unacceptable courses and activities. The following kinds of courses and activities do not meet the standards for continuing education:**

- 1. A course designed to develop or improve clerical, office or business skills not related to the inspection process, such as typing, shorthand, the operation of business machines, the use of computers, speed reading, improvement of memory and writing letters.*
- 2. A program of office training or other activity which is held as part of the general business of the holder of a certificate.*
- 3. A course for the orientation of holders of certificates.*
- 4. A course for the development of instructors.*

**Sec. 18. Approval of distance education course or course given in Nevada; proof of attendance.**

*1. An application for approval of a distance education course or a course given in Nevada for the continuing education of licensees or holders of certificates must be submitted to the division for review and presentation to the division. The application must be made on a form provided by the division.*

*2. The division will not give retroactive approval for such a course.*

*3. In determining whether to approve a course pursuant to this section, the division will consider:*

- (a) Whether the course consists of at least 2 hours of instruction.*
- (b) Whether the sponsor of the course is willing to certify to the attendance of licensees and holders of certificates at the course.*
- (c) Whether the sponsor is willing to maintain for 3 years a record of attendance which contains:
  - (1) The name of each holder of a certificate in attendance and the number of his certificate.*
  - (2) The title and description of the course.**

(3) *The hours of instruction attended by the holder of a certificate and the dates of his attendance.*

(4) *A statement or indication whether the holder of a certificate passed or failed the course, if applicable.*

(d) *Whether the sponsor of the course is willing to assure that an approved instructor will preside throughout the course.*

(e) *In the case of distance education courses:*

(1) *Whether the holder of a certificate will be required to complete:*

(I) *A written examination proctored by an official approved by the division; or*

(II) *If the course does not include such an examination, the course mechanisms required by the division for accreditation of the course; and*

(2) *Whether the course is presented by an accredited college or university, has received the approval for college credit from the American Council on Education's College Credit Recommendation Service.*

(f) *In the case of presentations by videotape, whether the sponsor will provide an approved instructor at the site of the presentation to supplement and control instruction in the course.*

(g) *Any other criteria that the division deems appropriate.*

4. *For all approved courses, the sponsor shall provide a certified copy of the record of completing the course to the holder of a certificate upon his completion of the course. The division shall accept the certificate as proof of the holder's attendance for the purpose of renewing or reinstating his certificate. If the course is taken at a university or community college, the proof of attendance must be a certified transcript. The certificate of a sponsor must contain the:*

(a) *Name of the sponsor;*

(b) *Name of the holder of a certificate and his certificate number;*

(c) *Number of hours of instruction;*

(d) *Dates of instruction;*

(e) *Title of the course or seminar;*

(f) *Sponsor's number assigned by the division; and*

(g) *Signature of the person authorized to sign for the sponsor.*

5. *The division may grant approval for courses of continuing education offered by a nationally recognized inspector organization, without considering a specific application.*

#### **Sec. 19. Approval of course provided out of state.**

1. *Except as otherwise provided in Sec. \_\_\_\_ regarding distance education courses, an inspector may apply to the division for the approval of a course of continuing education which is provided out of state if the appraiser has:*

(a) *Attended or will attend the course outside Nevada;*

(b) *Taken or will take the course within the period prescribed by Sec. \_\_\_\_\_ for the renewal or reinstatement of his certificate; and*

(c) *Submitted an application on a form supplied by the division accompanied by the applicable application fee for the annual approval of a course of instruction offered for continuing education.*

2. *Under appropriate circumstances, the division may give retroactive approval for a course attended out of state.*

3. Except as otherwise provided in subsection 5, approval of a course pursuant to this section applies only to the specific:

- (a) Course described in the application;
- (b) Date on which the course was given; and
- (c) Appraiser who submitted the application.

4. In determining whether to approve a course attended out of state, the division will consider:

- (a) Whether the course consists of at least 2 hours of instruction.
- (b) Whether the course meets the standards set forth in Sec. \_\_\_\_\_ and is acceptable under the provisions of Sec. \_\_\_\_\_.
- (c) Any available information regarding the qualifications of the instructor of the course.
- (d) The sufficiency of the proof of attendance of the course by the applicant. To obtain credit for attendance of the course, the applicant must attend the required number of hours of instruction and take and pass any examination administered in the course.
- (e) Any other criteria that the division deems appropriate.

5. If the division approves a specific course based on an initial application by an appraiser pursuant to subsections 1 to 4, inclusive, it shall approve an application submitted subsequently by another appraiser who attended the same course if that appraiser submits:

- (a) Proof of his attendance of the course; and
- (b) The applicable application fee for the annual approval of a course of instruction offered for continuing education.

6. If the division approves a course pursuant to this section, the sponsor of the course:

- (a) Is not required to comply with Sec. \_\_\_\_\_ and Sec. \_\_\_\_\_.
- (b) Shall not advertise that the course has been approved by the division.

**Sec. 20. Audit of course; period of approval; reapproval; withdrawal of approval.**

1. The sponsor of an approved course for the continuing education of a holder of certificate shall:

- (a) Not allow a holder of a certificate to pass the course by taking the examination without having the required attendance;
- (b) Admit authorized personnel of the division to audit and evaluate the presentation of the course;

- (c) Notify the division within 15 days after making any material change in the course; and
- (d) 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 division's approval of such a course is effective for 1 year after the original approval or a reapproval.

3. The sponsor must apply for reapproval on a form provided by the division and describe on that form any changes in the course.

4. The approval or reapproval of any course of continuing education by the division is subject to a condition that the division may audit the course the first time the course is offered.

5. If the division does not audit a course during the first offering of the course in Nevada, the division will deem the course approved.

6. Each of the following acts and conditions is a ground for the division to withdraw its approval of a course:

- (a) Poor quality of the curriculum or instruction, as shown by evaluations.

*(b) Violation of any of the provisions of this chapter governing continuing education.*

*7. In determining whether to withdraw its approval of a course deemed to be approved pursuant to subsection 2, the division will follow a procedure similar to that used in NAC 645D.700.*

**Sec. 21. Procedure for revocation of conditional approval of course after audit.**

*1. If the division audits the first offering of a course provided in Nevada and determines that the course does not meet the standards for courses of continuing education set forth in this chapter, the division shall revoke the conditional approval of a course. Within 30 days after the conduct of the audit, the administrator shall give the school written notice that approval of the course has been revoked and shall provide specific reasons for the revocation. The revocation of a course is effective upon receipt of the written notice by the school.*

*2. The division shall give credit for continuing education to a student who attended the course before the school received written notice of the revocation of the course.*

*3. The school may appeal the decision of the division to revoke approval of a course pursuant to this section by making a written demand to the division for a hearing within 20 calendar days after the school receives the written notice pursuant to subsection 1.*

*4. Within 90 days after receipt of a written demand for a hearing, the division will hold a hearing.*

**Sec. 22. Duties of sponsors.**

*1. The sponsor of an approved course for the continuing education of licensees or holders of certificates shall:*

*(a) Not allow a licensee or holder of a certificate to pass the course by taking the examination without having the required attendance;*

*(b) Admit authorized personnel of the division to audit and evaluate the presentation of the course; and*

*(c) Notify the division within 15 calendar days after making any material change in the course.*

*2. Each sponsor shall provide evaluations for a course for continuing education and shall maintain a tabulation of the results of the evaluations for 2 years. The division may request a review of those evaluations.*

*3. The sponsor shall determine whether a final examination is required for the completion of the course.*

*4. If a course offered by a professional organization has been approved for continuing education, the organization shall not restrict attendance at the course to members of that organization.*

**Sec. 23. Qualifications of instructors.**

*1. An instructor of a course for continuing education must possess:*

*(a) A good reputation for honesty, integrity, and trustworthiness; and*

*(b) At least one of the following qualifications, unless granted a special exemption by the division:*

*(1) A bachelor's degree in the field in which the person is instructing.*

*(2) Current experience teaching subjects relating to the inspection of real estate in the University and Community College System of Nevada or another institution which awards*

*degrees. The person must demonstrate to the satisfaction of the division the academic training or work experience that qualifies him to teach the course of continuing education.*

*(3) Five years of full-time experience, other than in a secretarial position, working in a job directly related to the subject taught.*

*(4) Three years of experience teaching the specific subject.*

*2. An instructor who has been subject to discipline by any licensing authority:*

*(a) Within the last 5 years; or*

*(b) More than twice,*

*shall not instruct a course of continuing education without the approval of the division.*

*3. A sponsor of a course shall limit guest lecturers who are not approved by the division to a total of 10 percent of the instructional hours per approved course. A guest lecturer must be an expert in the subject that he teaches.*

**Sec. 24. *Revocation of approval of instructor; notice; appeal; hearing.***

*1. The division may revoke the approval of an instructor of a course of continuing education:*

*(a) If any licensing authority has taken disciplinary action against the instructor; or*

*(b) If, after an audit of the course and review of the evaluations of the course, the division concludes that the instructor is not qualified to instruct the course.*

*2. The division shall give the instructor and sponsor written notice that it has revoked the approval of the instructor. The written notice must specify the reason for the revocation.*

*3. An instructor may appeal the decision of the division to revoke his approval by making a written demand to the division for a hearing, before a hearing officer, within 20 calendar days after the instructor receives the written notice pursuant to subsection 2.*

*4. Within 90 days after receipt of a written demand for such a hearing, the hearing officer will hold a hearing in the same manner as described in NAC 645D.700.*

**Sec. 25. *Information required on materials used in course. If a course has been approved and is being offered for continuing education, the sponsor must state on all the materials used in the course:***

*1. That the course is approved for continuing education in Nevada by the division;*

*2. The number of hours of credit for continuing education for which the course is approved; and*

*3. The sponsor's number assigned by the division.*

**Sec. 26. *Advertising of course.***

*1. Any advertising, promotional brochure or form for registration for a course for continuing education must contain, in writing, the policy of the sponsor concerning cancellation and refunds.*

*2. All advertising must specify that such courses have been approved by the division.*

**Sec. 27. *Requirements for receipt of credit.***

*1. A licensee or holder of a certificate may receive credit for continuing education if he teaches an approved course. Credit will be given only once for teaching the course. The holder of a certificate must submit proof that he taught the course during the applicable period of certification. The instructor may receive 2 hours of credit per each hour of instruction.*

*2. A course may not be taken for credit more than once in a certification period.*

*3. Courses taken to satisfy requirements for the renewal or reinstatement of a certificate must be completed within the 2 years immediately before the latest date for renewing or reinstating the certificate.*

*4. A holder of a certificate may receive credit for continuing education only upon certification by the sponsor that the holder of a certificate has attended and completed at least 90 percent of the course.*

**Sec. 28.** *Allowable hours of credit. The division will allow not more than 7 hours of credit per day of instruction for courses of continuing education given without a final examination, and not more than 8 hours of credit per day of instruction for courses of continuing education requiring a final examination.*

**Sec. 29.** *Credit for attending organization meetings, seminars and/or trade shows.*

*1. The division will grant one hour of credit for continuing education, not to exceed 5 hours, to a holder of a certificate once during each period of certification for attending an educational meeting presented by a regionally or nationally recognized inspector organization as long as the following criteria are met:*

*(a) The licensee or holder of a certificate was not participating in or otherwise affiliated with the organization's meeting;*

*(b) The organization's meeting lasted at least 1 hour; and*

*(c) The organization certifies to the attendance of the holder of a certificate.*

*2. The division will grant credit for continuing education, not to exceed 10 hours, to a holder of a certificate once during each period of certification for attending an educational trade show presented by a regionally or nationally recognized inspector organization as long as the following criteria are met:*

*(a) The licensee or holder of a certificate was not participating in or otherwise affiliated with the organization's meeting;*

*(b) The organization's meeting lasted at least 1 hour; and*

*(c) The organization certifies to the attendance of the holder of a certificate.*

**Sec. 30.** **Amend NAC 645D.060 as follows:**

NAC 645D.060 "Readily accessible" defined. (NRS 645D.120) "Readily accessible" means that the item being inspected is accessible without the certified inspector having to:

1. Move furniture or stored items;

2. Damage paint finishes;

3. Fit into an area or opening less than 18 inches by 24 inches;

4. Use a ladder that extends to more than 12 feet tall to reach the item; or

~~5. Use a tool to open the item.~~

(Added to NAC by Real Estate Div. by R214-97, eff. 5-11-98)

**Sec. 31.** **Amend NAC 645D.090 as follows:**

NAC 645D.090 Applicability of chapter. (NRS 645D.120)

1. Except as otherwise provided in subsection 2, this chapter applies to any person who:

(a) Performs inspections of residential or commercial property ~~for a structure for the purpose of a second or subsequent sale of the property or structure~~; and

(b) Signs a document regarding the inspection in a way that designates the person as a “certified inspector.”

~~[2. This chapter does not apply to:~~

- ~~(a) A professional engineer or land surveyor licensed pursuant to chapter 625 of NRS;~~
- ~~(b) An architect licensed pursuant to chapter 623 of NRS;~~
- ~~(c) A contractor licensed pursuant to chapter 623 of NRS;~~
- ~~(d) A person licensed to control pests pursuant to chapter 555 of NRS;~~
- ~~(e) A building inspector appointed by a county or city who is performing an inspection pursuant to NRS 278.570 to 278.610, inclusive; or~~
- ~~(f) Any of the persons listed in paragraphs (a) to (e), inclusive, who perform part of an inspection for a certified inspector or provide an evaluation of a portion of a structure, but do not sign the final report.]~~

**Sec. 32. Amend NAC 645D.200 as follows:**

NAC 645D.200 “Hour of academic instruction” defined. (NRS 645D.120) As used in NAC 645D.210, 645D.200 and 645D.230 ~~[, unless the context otherwise requires,]~~ “hour of academic instruction” means at least 50 minutes of actual time spent receiving instruction.

**Sec. 33. Amend NAC 645D.210 as follows:**

NAC 645D.210 Requirements for certificate as certified residential inspector. (NRS 645D.120)

1. An applicant for a certificate as a certified residential inspector:

(a) Must furnish proof satisfactory to the division that he has successfully completed:

(1) Not less than 40 hours of academic instruction in subjects related to structural inspections in courses approved by the division ~~[or equivalent experience as an inspector.]~~

(2) An examination approved by the division.

(b) Must possess a high school diploma or its equivalent.

*(3) Observations of at least 25 inspections performed by a certified general or master inspector for a fee or an instructor approved by the Administrator.*

2. Experience as an inspector must demonstrate ability of the applicant to produce a credible inspection report according to the standards and requirements set forth in NAC 645D.460 ~~[to]~~ *through* 645D.580, ~~[inclusive.]~~ *and NRS 645D.070.*

3. An applicant must submit to the division a log of the inspections he ~~[performed for a fee]~~ *observed* on a form supplied by the division.

**Sec. 34. Amend NAC 645D.220 as follows:**

NAC 645D.220 Requirements for certificate as certified general inspector. (NRS 645D.120)

1. An applicant for a certificate as a certified general inspector:

(a) Must furnish proof satisfactory to the division that he has successfully completed:

(1) Not less than 50 hours of academic instruction in subjects related to structural inspections in courses approved by the division.

(2) An examination approved by the division.

(3) At least 200 inspections for a fee, of which not less than 25 must be inspections of commercial structures.

(4) At least ~~[six]~~ *three commercial* inspections, ~~[of which not less than three must be inspections of commercial structures,]~~ under the supervision of a *certified general inspector or a certified master inspector.* ~~[If the applicant is unable to inspect three commercial structures, he~~

~~may inspect any building that is not a warehouse that measures not less than 100,000 square feet or any other building that the division approves.]~~ The inspections must be evaluated by the certified *general inspector or* master inspector and recorded on a form provided by the division.

(b) Must possess a high school diploma or its equivalent.

2. Experience as an inspector must demonstrate ability of the applicant to produce a credible inspection report according to the standards and requirements set forth in NAC 645D.460 ~~[to]~~ *through* 645D.580~~[-inclusive]~~ *and NRS 645D.070.*

3. An applicant must submit to the division a log of the inspections he performed for a fee on a form supplied by the division.

**Sec. 35. Amend NAC 645D.230 as follows:**

NAC 645D.230 Requirements for certificate as certified master inspector. (NRS 645D.120)

1. An applicant for a certificate as a certified master inspector:

(a) Must furnish proof satisfactory to the division that he has successfully completed:

(1) Not less than 60 hours of academic instruction in subjects related to structural inspections in courses approved by the division;

(2) An examination approved by the division; and

(3) At least 400 inspections for a fee, of which not less than 50 of the inspections must be of commercial structures or structures consisting of more than four residential units.

(b) Must possess a high school diploma or its equivalent.

2. Experience as an inspector must demonstrate ability of the applicant to produce a credible inspection report according to the standards and requirements set forth in NAC 645D.460 ~~[to]~~ *through* 645D.580~~[-inclusive]~~ *and NRS 645D.070.*

3. An applicant must submit to the division a log of the inspections he performed for a fee on a form supplied by the division.

**Sec. 36. Amend NAC 645D.280 as follows:**

NAC 645D.280 Reexamination; withdrawal; period for acceptance of results. (NRS 645D.120)

1. An applicant for a certificate as an inspector who fails an examination may apply for reexamination on a form furnished by the division~~[-]~~, *but not less than thirty (30) days following the date of the failed examination and not less than sixty (60) days following the date of a second failed examination.*

2. If an applicant, after filing an application for examination, withdraws and requests the division to postpone action on the application for reasons acceptable to the division, the applicant may apply for the next examination.

3. The division will only accept results of an examination taken during the year immediately preceding the date of the application for a certificate.

*4. An applicant who fails an examination the third time shall be required to wait one year from the date of the third failed examination before taking the examination a fourth time and will be required to submit a new application, fees, and required materials.*

**Sec. 37. Amend NAC 645D.350 as follows:**

NAC 645D.350 Training and evaluation of certified residential inspector and certified general inspector; form. (NRS 645D.120)

1. Each certified *general inspector* ~~[master inspector]~~ who is training and evaluating a certified residential inspector or a certified general inspector *and each certified master inspector who is training and evaluation a certified residential inspector or a certified general inspector*



shall file with the division a form provided by the division that sets forth the amount of experience gained by the certified residential inspector or certified general inspector while that certified inspector is being trained and evaluated. A copy of the form must be given to the certified inspector being trained and evaluated, and a copy of the form must be maintained by the certified master inspector for 3 years.

*(a) Training and evaluation of a certified general inspector must be performed by a certified master inspector.*

2. The completed form must set forth:

(a) The type of structure being inspected; and

(b) Whether the certified inspector being trained and evaluated complied with the requirements of NAC 645D.460 to 645D.580, inclusive, in making the inspection of the structure.

**Sec. 38. Amend NAC 645D.450 as follows:**

NAC 645D.450 Conduct of inspection. (NRS 465D.120)

1. A certified inspector shall conduct each inspection in accordance with NAC 645D.460 ~~to~~ *through* 645D.580 ~~[-inclusive,]~~ *and NRS 645D.070.*

2. A certified inspector may exceed the requirements set forth in NAC 645D.460 ~~to~~ *through* 645D.580 ~~[-inclusive,]~~ *and NRS 645D.070,* when conducting an inspection.

*3. A certified inspector may conduct an inspection or re-inspection which does not include all areas included under NAC 645D.460 through NAC 645D.580, providing that the partial inspection complies with all applicable sections.*

*(a) The written report must state that a partial inspection has been performed, describe the purpose of the partial inspection, and clearly identify the areas included in the inspection.*

**Sec. 39. Amend NAC 645D.470 as follows:**

NAC 645D.470 Prohibited acts. (NRS 645D.120) A certified inspector shall not, while making an inspection ~~[of a building consisting of less than five dwelling units, an individually owned residential unit within a multifamily building, or their attached garages and carports]:~~

1. Offer to perform or perform any act or service that is unlawful.

2. Offer warranties or guaranties of any kind.

3. Offer to perform or perform any job function for which he does not have a license, including, but not limited to, the services of an engineer, architect, plumber or electrician.

4. Calculate the strength, adequacy or efficiency of any system or component.

5. Enter any area or perform any procedure that may damage any part of the structure being inspected or endanger any person, including, but not limited to, the certified inspector.

6. Operate any system or component that is shut down or otherwise inoperable.

7. Operate any system or component that does not respond to normal operating controls.

8. *Be required to* move or disturb any item that obstructs access or visibility, including, but not limited to, insulation, personal items, panels, furniture, equipment, plants, soil, snow, ice or other debris.

9. Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including, but not limited to, toxins, carcinogens, noise or contaminants, unless he is licensed or certified to make such inspections and determinations.

10. Determine the effectiveness of any system installed to control or remove suspected hazardous substances.

11. Predict the future condition of any system or component, including, but not limited to, the failure of a component.
12. Project the operating costs of any component.
13. Evaluate the acoustical characteristics of any system or component.

**Sec. 40. Amend NAC 645D.480 as follows:**

NAC 645D.480 Interior components. (NRS 645D.120)

1. A certified inspector shall inspect the interior components of the structure being inspected, including, but not limited to, the following components of the interior:

- (a) The walls, ceilings and floors;
- (b) The steps, stairways, balconies and railings;
- (c) A representative number of doors and windows; and
- (d) The counters and a representative number of cabinets.

2. An inspection of the interior components must include ~~[-, without limitation]:~~

- (a) The operation of a representative number of the windows and interior doors; and
- (b) The reporting of any sign of abnormal or harmful water penetration into the structure or any sign of abnormal or harmful condensation.

**Sec. 41. Amend NAC 645D.490 as follows:**

NAC 645D.490 Built-in kitchen appliances. (NRS 645D.120)

1. A certified inspector shall inspect the built-in kitchen appliances of the structure being inspected, including, but not limited to, the following kitchen appliances if they are not shut off or otherwise inoperable:

- (a) The dishwasher;
- (b) The range, cook top and oven;
- (c) The trash compactor;
- (d) The garbage disposal;
- (e) The ventilation equipment and range hood; and
- (f) The microwave oven.

2. An inspection of the built-in kitchen appliances must include ~~[-, without limitation,] the~~ operation of the dishwasher through at least one normal cycle.

**Sec. 42. Amend NAC 645D.500 as follows:**

NAC 645D.500 Insulation and ventilation systems. (NRS 645D.120)

1. A certified inspector shall inspect the insulation and ventilation systems of the structure being inspected, including, but not limited to, the following components of the insulation and ventilation systems:

- (a) The insulation and vapor retarders in unfinished spaces;
- (b) The ventilation of the attics and the area of the foundation; and
- (c) The kitchen, bathroom and laundry venting systems.

2. An inspection of the insulation and ventilation systems must include ~~[-, without limitation]:~~

- (a) The operation of any readily accessible attic ventilation fan;
- (b) If the temperature of the structure permits, the operation of any readily accessible thermostatic control;
- (c) A description of the condition of the insulation in the unfinished spaces; and
- (d) A description of any unfinished space at conditioned surfaces in which the insulation is absent.

**Sec. 43. Amend NAC 645D.510 as follows:**

NAC 645D.510 Plumbing systems. (NRS 645D.120)

1. A certified inspector shall inspect the plumbing system of the structure being inspected, including, but not limited to, the following components of the plumbing system:

- (a) The hot and cold water systems;
- (b) The waste and drain systems;
- (c) The vent systems; and
- (d) The readily accessible gas lines.

2. An inspection of the plumbing system must include ~~[, without limitation]:~~

(a) An identification and description of the type of water lines and a determination of whether the system has been activated;

(b) The operation of all plumbing fixtures and a visual inspection of all readily accessible components of the plumbing system;

(c) A determination of the functional flow of the waste, drain, water and vent lines; and

(d) An identification and description of the type of domestic water heater, energy source and any safety devices attached thereto.

**Sec. 44. Amend NAC 645D.520 as follows:**

NAC 645D.520 Electrical systems. (NRS 645D.120)

1. A certified inspector shall inspect the electrical systems of the structure being inspected, including, but not limited to, the following components of the electrical system:

- (a) The switches, receptacles and fixtures;
- (b) The main panel box and all subpanel boxes, including, but not limited to, the feeders; and
- (c) The readily accessible wiring and junction boxes.

2. An inspection of the electrical system must include ~~[, without limitation]:~~

(a) An identification and description of the amperage and type of overcurrent protection devices, including, but not limited to, the fuses and breakers;

(b) A description of the condition of the electrical system, including, but not limited to, the grounding cables;

(c) A verification of the compatibility and condition of the main and branch circuit overcurrent protection devices to the size of the conductors served by them. ~~[that are visible without the removal of safety covers;~~

~~—(d) The testing of a representative number of readily accessible switches, receptacles and light fixtures in each room or area of the structure;~~

~~—(e) A test and verification of the grounding and polarity and operation of all readily accessible [receptacles, including, but not limited to, the] ground fault circuit interrupter devices; and~~

(f) An evaluation of the system and all readily accessible wiring.

**Sec. 45. Amend NAC 645D.530 as follows:**

NAC 645D.530 Heating systems. (NRS 645D.120)

1. A certified inspector shall inspect the heating system of the structure being inspected, including, but not limited to, the following components of a heating system:

- (a) The heating equipment and heating distribution system;
- (b) The operating controls; and
- (c) The auxiliary heating units.

2. An inspection of the heating system must include ~~[-, without limitation]~~:
  - (a) An identification and description of the type of system, distribution, energy source and number of units or systems in the structure;
  - (b) The opening of all readily accessible access panels or covers provided by the manufacturer so that the enclosed components can be evaluated; and
  - (c) An evaluation of the readily accessible controls and components.

**Sec. 46. Amend NAC 645D.540 as follows:**

NAC 645D.540 Air-conditioning systems. (NRS 645D.120)

1. A certified inspector shall inspect the air-conditioning system of the structure being inspected, including, but not limited to, the following components of the air-conditioning system:
  - (a) The cooling equipment and cooling distribution systems; and
  - (b) The operating controls.
2. An inspection of the air-conditioning system must include ~~[-, without limitation]~~:
  - (a) An identification and description of the type of system, distribution, energy source and number of units or systems in the structure;
  - (b) The opening of all readily accessible access panels or covers provided by the manufacturer so that the enclosed components can be evaluated; and
  - (c) An evaluation of the readily accessible controls and components.

**Sec. 47. Amend NAC 645D.550 as follows:**

NAC 645D.550 Exterior components. (NRS 645D.120)

1. A certified inspector shall inspect the exterior components of a structure being inspected, including, but not limited to:
  - (a) The exterior wall components;
  - (b) The exposed molding and trim;
  - (c) The windows and exterior doors; and
  - (d) The fireplaces, flues and chimneys.
2. An inspection of exterior components must include, without limitation:
  - (a) An identification of the type of structure and covering of the exterior component, including, but not limited to, whether it is block, siding, shingle, stucco, wood, asbestos, hardboard or masonry;
  - (b) An evaluation of the wall covering;
  - (c) An evaluation of the condition of a representative number of windows and doors, including, but not limited to, the associated trim and hardware; and
  - (d) An inspection and description of the condition of readily accessible porches, decks, steps, balconies and carports attached to the structure.

**Sec. 48. Amend NAC 645D.560 as follows:**

NAC 645D.560 Roofing components. (NRS 645D.120)

1. A certified inspector shall inspect the roofing components of the structure being inspected, including, but not limited to:
  - (a) The roof covering;
  - (b) The flashing;
  - (c) The insulation;
  - (d) The ventilation;

- (e) The soffits and fascia; and
  - (f) The skylights, roof accessories and penetrations.
2. The inspection of roofing components must include~~[, without limitation]~~:
- (a) An identification and description of the materials of the visible roof structure, roof flashing, skylights, penetrations, ventilation devices and roof drainage;
  - (b) An evaluation of the condition of the readily accessible attic areas;
  - (c) A determination of the type, condition and approximate thickness of the attic insulation;
- and
- (d) A description of the method of observation used to inspect the roof.

**Sec. 49. Amend NAC 645D.570 as follows:**

NAC 645D.570 Structural systems. (NRS 645D.120)

1. A certified inspector shall inspect the structural system of the structure being inspected, including, but not limited to, the foundation, floors, walls, columns, ceilings and roof.
2. An inspection of the structural system must include~~[, without limitation]~~:
  - (a) An identification and description of the type of foundation, floor structure, wall structure, columns, ceiling structure, roof structure and other attached structural components;
  - (b) A probe of all structural components in which deterioration is suspected, unless the probe will damage any finished surface;
  - (c) Entry under the floor crawl spaces and attic spaces, except when access is obstructed or not readily accessible, entry could damage the property, or dangerous or adverse conditions are obvious or suspected;
  - (d) A report of all signs of water penetration or abnormal or harmful condensation on building components; and
  - (e) A description of any visible structural damage to the framing members and foundation system.

**Sec. 50. Amend NAC 645D.580 as follows:**

NAC 645D.580 Site of structure. (NRS. 645D.120)

1. A certified inspector shall inspect the site of the structure while conducting an inspection of the structure, including, but not limited to:
  - (a) The land grade and water drainage;
  - (b) The retaining walls affecting the structure;
  - (c) The driveways and walkways; and
  - (d) The porches and patios.
2. An inspection of the site must include~~[, without limitation]~~:
  - (a) An identification and evaluation of the materials and conditions of the driveways, walkways, grade steps, patios and other items contiguous with the inspected structure;
  - (b) An observation of the drainage and grading for conditions that adversely affect the structure; and
  - (c) An observation of the above-grade vegetation which affects the exterior of the structure.

**Sec. 51. Amend NAC 645D.600 as follows:**

NAC 645D.600 Determination of unprofessional conduct or professional incompetence. (NRS 645D.120) In determining whether a certified inspector is guilty of unprofessional conduct or

professional incompetence, the division will consider, among other things, whether the inspector has:

1. Failed to perform an inspection in accordance with NAC 645D.460 ~~to~~ *through* 645D.580, ~~inclusive;~~ *and NRS 645D.070.*
2. Done his utmost to protect the public against fraud, misrepresentation or unethical practices relative to his profession;
3. Made an inspection and prepared an inspection report of any property outside of his field of experience or competence without the assistance of a qualified authority; or
4. Adequately documented any required disclosures of his interest in any property with which he is dealing.