

SENATE COMMITTEE ON COMMERCEMINUTES - PUBLIC HEARINGS.B. Nos. 98, 99, 100, 283, 316

Date: Thursday, March 6, 1969 (Rm. 52, State Capitol Building)

Committee Members:	Senator White, Chairman	Present
	Senator Hecht	"
	Senator Swobe	"
	Senator Titlow	"
	Senator Lamb	Absent

Others Present: Mr. Hugo Quilici, Director, Department of Commerce
 Mr. John Porter, Deputy Attorney General
 Mr. DonMcNelly, Administrator, Division of Real Estate
 Mr. Pete Walters, Chairman, Legislative Committee, Nevada Association of Realtors
 Mr. D. E. Matson, President, Nevada Association of Realtors
 Mr. Herb Mattheus, Director, National Association of Real Estate Boards for State of Nevada
 Mr. Ed. Scott, NAACP
 Mr. A. D. Jensen, Attorney
 Mr. Art Wood, Realtor, Incline Village
 Mr. Fred Schultz, Realtor, Incline Village
 Senator Herr (Part-time)

Chairman called the meeting to order at 1:10 P.M.

S.B. No. 98 Changes expiration date of real estate licenses. Executive estimate of cost: None.
 Introduced by Committee on Commerce

Mr. McNelly said the proposed change in this bill is the change in the license year. Presently licenses are issued on a fiscal basis - July 1 through June 30; proposed bill would provide that licenses be effective from May 1 through April 30. Mr. McNelly said this change would prove of great help to him in the administration of the Real Estate Division and would also be of benefit to the Budget Department. With the change, the amount of money to be realized from license renewals can be known in time for budgetary consideration. If the legislation is adopted, licenses in effect would be prorated on a monthly basis, so there would be no "lap over" for the licensee.

Chairman White asked if there were any objection on the part of the industry. Mr. Pete Walters, Chairman of the Legislative Committee of the Nevada Association of Realtors, responded that this bill had been discussed and industry had no objection whatever to its adoption.

Senator Swobe made a motion to "Do Pass"; Senator Hecht seconded. Motion carried.

S.B. No. 99 Requires practical experience for real estate broker's license.
Executive estimate of cost: None.
Introduced by Committee on Commerce.

Mr. McNelley said this bill has to do with the practical experience requirement of license applicants before making application for a broker's license. At the present time, a person may acquire a broker's license by attending school - say, the University of Nevada or an accredited school - completing a 96-hour course of instruction and passing the state examination. The proposed bill would create a requirement of one year experience as a real estate salesman. Prior to becoming a salesman, there would be no formal educational requirement, but after the one year experience, before making application for a broker's license, he would have to have a second year's experience as a salesman or complete the 96-hour instruction course. Then, after passing the state examination, he could obtain his broker's license.

(Here Mr. McNelley called attention to a typographical error in Line 23, Subsection 2, Section 1. The first word should be "in", not "on". This can be easily corrected in reprinting.)

Mr. McNelley went on to explain that an out-of-state broker, properly operating as a broker in that state, could move into Nevada and qualify for a broker's license upon meeting the residency requirement and passing the state examination; he would not be required to have the practical salesman experience in Nevada.

At this point Senator Swobe said that he had had a call from Dr. Duffy, University of Nevada, asking about the possibility of changing the effective date of this bill, if adopted, to, say, January 1, 1970, from July 1, 1969. This would permit the students presently enrolled in real estate instruction to meet requirements as currently stipulated. Mr. McNelley said he would have no objection to making a change in the effective date. After brief discussion among the committee members, an October 1, 1969, effective date was agreed upon.

Senator Hecht inquired as to what objections, if any, had been registered against this proposed bill. Mr. McNelley said he had heard of none.

Mr. Ed Scott was recognized by the chairman. Mr. Scott, identifying himself as a representative of NAACP and speaking for Reno-Sparks, Las Vegas, and Hawthorne groups, said this issue had been discussed at a mass meeting in Las Vegas last Sunday. He registered a strong objection to the proposed bill, saying that the imposition of such rigid requirements was nothing but "closing the door" to minority groups. He referred to the small number of negro real estate brokers and reminded the committee that to gain experience as a real estate salesman, a man had to work for a real estate broker.

Senator Hecht recalled the widespread misrepresentation that had occurred in real estate transactions in the Las Vegas area some four years ago, and said it was problems such as this that required the upgrading of the real estate industry. Senator Swobe agreed that upgrading of the industry

was necessary for the protection of the public. In answer to a question directed to him by Senator Swobe, Mr. Scott said he had no alternative to offer to the requirements of the bill as proposed, but he strongly felt the bill should be rejected.

Senator Titlow then questioned the practicality of imposing such requirements on people residing in the smaller communities, where an active broker would perhaps be reluctant to employ a salesman to give him the experience which would permit him to open an office in competition.

Mr. Herb Mattheus, at this point, said he thought the intent of the bill was being misinterpreted. He added that, as he understood it, the purpose of the bill was to insure a person's having some practical experience in selling real estate before opening a broker's office; this would reduce the possibility of his failure as a broker.

Mr. Matson said he felt no specified schooling was adequate; practical experience was a "must" to enjoy success. There have been a tremendous number of failures because of lack of knowledge of the business.

Reverting to the problem of the small community introduced by Senator Titlow, Mr. McNelley said it was possible for a salesman to work in a community as an employee of a broker in another community.

Mr. Jensen said he would like to point out that, in his opinion, the vice inherent in the bill was the fact that it offered no alternative in requirements. It is a mandatory bill and he concurred with Mr. Scott in thinking it restrictive to a person of limited means. In his background study of the bill, he has found that only one state now has a mandatory requirement and in no other profession, except medicine, is an "apprenticeship" required. He feels the bill, as written, would be harmful to small communities and people of limited income. He added that he had searched the records and found no case in the State of Nevada where a real estate broker had been sued for negligence or lack of training. He feels the bill makes a "closed shop" of the industry, and while he does not believe this to be the intent of the bill, this would be the practical effect.

Mr. Porter agreed there had been a misinterpretation of the intent of the bill. In drafting it, the Real Estate Division's purpose was to upgrade the industry. He then submitted a proposed amendment which he felt would make clarification. The Chairman read the proposed amendment to the meeting, but it was the consensus that it altered nothing. (Copy attached.)

Mr. McNelley then said he would like to correct the statement made by Mr. Jensen with respect to the requirements of other states. He showed data collected by a national real estate association, of which he is a director. Data on 50 states and five provinces in Canada is compiled every year. The finding is that 34 states and the 5 Canadian provinces have specific experience requirements. He specifically cited California, which has a requirement of two years full-time experience as a real estate salesman or college graduation with specialization in real estate. He added that with the passage of time, requirements will become more stringent.

Mr. Schultz said that, after many years as a broker, he is still learning the business and he feels that practical experience as a salesman is a requisite.

Mr. Art Wood suggested, as an alternative to practical experience, the examination be made tougher to determine a man's true ability and knowledge; he felt there was no need for a man to "put in servitude" if he could pass the required examination. He added that he was inclined to think the industry was more interested in protecting itself than in protecting the public.

At this point Chairman White said that unfortunately lack of time precluded the hearing of any more testimony from those present and directed the attention of the group to the other real estate bills under consideration.

S.B. No. 100 Specifies information to be furnished to real estate vendors and purchasers. Executive estimate of cost: None.
Introduced by Committee on Commerce.

Mr. McNelley spoke on this bill, saying it was a bill submitted by the Division of Real Estate. The present law requires a closing statement on real estate transactions within a one-month period after the close of escrow, but it does not specify the items to be included in such closing statement. The proposed bill brings into context what is already the current practice in the preparation of closing statements. Mr. McNelley distributed to the committee members samples of closing statements, to show the items that by the new law would have to be shown. (Copy attached.)

There was no objection registered to adoption of this bill.

Senator Swobe made a motion to "Do Pass". Senator Titlow seconded. Motion carried.

S.B. No. 283 Makes verbal changes in license qualifications for real estate brokers and salesmen. Executive estimate of cost: None.
Introduced by Committee on Commerce.

Mr. McNelley identified this bill as a corrective measure, bringing into focus the same requirements for individual and corporate applicants. The bill, as proposed, would also allow issuance of a license to a person who was 21 years of age at the time of taking the required examination, although he was under 21 at the time of filing his application.

This bill provoked no objection from the industry.

Senator Swobe moved to "Do Pass". Senator Hecht seconded. The motion carried.

S.B. No. 316 Requires real estate listings to be in writing.
Introduced by Senator Herr.

Mr. McNelley commented that, so far as he knew, this bill offered no problems.

Since it was introduced by Senator Herr, she was called to the meeting and was requested to explain the need for the bill. She said that it is a copy of the California code and it was her personal feeling that if a listing were written, rather than oral, it would save a lot of misunderstanding and a lot of the court's time at time of enforcement. By this bill, in order to have any court action taken on a listing, the listing would have to be written. Oral listings could still be taken, but they could not be enforceable.

No objection was registered.

Senator Titlow moved to "Do Pass"; Senator Swobe seconded; motion carried.

The chairman adjourned the meeting at 2:10 P.M.

Approved:

Marvin L. White

S.B. No. 99-Committee On Commerce: Requires practical experience for real estate broker's license.

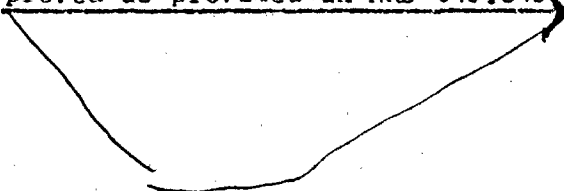
Section 1. NRS 645.343 is hereby amended to read as follows:

645.343 (1.) On and after July 1, (1960,) 1959, in addition to the other requirements contained in this chapter, an applicant for an original real estate broker's license shall furnish proof satisfactory to the real estate division that he (has successfully completed, within 1 year prior to the date of his application for a broker's license, a course of instruction in real estate principles, practices, procedures and ethics, which course may be an extension or correspondence course offered by the University of Nevada, or any other accredited college or university, or by any other college or school approved as provided in NRS 645.345.

2. An applicant for an original real estate broker's license may substitute, in lieu of the educational requirement, proof satisfactory to the real estate division that he was continuously licensed as a real estate salesman in this state or as a real estate broker or salesman in another state or district for at least 1 year within the 3 years immediately prior to the date of his application, and continuously during such time was actively engaged in the business of real estate salesman or broker.] was continuously licensed as a real estate salesman in this state or as a real estate broker or salesman in another state for at least 1 year within the 3 years immediately prior to the date of his application and continuously during such year was actively engaged in the business of real estate salesman or broker; and in addition thereto, either

(a) That such applicant, to the satisfaction of the real estate division, was continuously licensed as a real estate salesman in this state or as a real estate broker or salesman in another state for a second year within the 3 years immediately prior to the date of his application and continuously during such second year was actively engaged in the business of real estate salesman or broker; or

(b) That he has successfully completed, within 3 years prior to the date of his application for a broker's license, a course of instruction in real estate principles, practices, procedures and ethics, which course may be an extension or correspondence course offered by the University of Nevada, or any other accredited college or university, or by any other college or school approved as provided in NRS 645.345.





Title Insurance and Trust Company
 P. O. Box 620 - Carson City, Nevada

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DATE 2-14-69

ORDER NO OR-3147

ESCROW OFFICER M. Starnes

ESCROW CLOSING STATEMENT

Mr. & Mrs. [REDACTED], Jr.
 [REDACTED]
 Carson City, Nevada 89701

ITEMS	DEBITS	CREDITS
SALE/PURCHASE PRICE	\$26,250.00	\$
DEPOSITS		5,000.00
DEPOSIT RETAINED		
EXISTING LOAN		
NEW LOAN		21,250.00
PRO-RATA - TAXES		
- INSURANCE		209.30
- INTEREST		
- RENTS		
Sewer		
7-1-68 to 2-14-69		
2-14-69 to 6-30-69	10.89	
TITLE INSURANCE POLICY FOR \$		
CREDIT FEE	41.50	
CONVEYANCE FEE		
REPARING DOCUMENTS	20.00	
NOTARY FEE		
VENUE STAMPS		
RECORDING:		
Deed and Deed of Trust	7.00	
EX COLLECTOR		
COMMISSION		
INSURANCE		
Title Insurance and Trust Company		
1/2 Collection set-up fee	5.00	
REQUIREMENTS - to close		
BALANCE DUE	124.91	
TOTALS	\$26,459.30	\$26,459.30

Title Insurance and Trust Company
P. O. Box 620, Carson City, Nevada

DATE 2-14-69

ORDER NO OR-3147

ESCROW OFFICER M. Starnes

ESCROW CLOSING STATEMENT

Mrs. Hazel [redacted]
[redacted]
Carson City, Nevada 89701

ITEMS	DEBITS	CREDITS
SALE/PURCHASE PRICE	\$	\$26,250.00
DEPOSITS		
DEPOSIT RETAINED		
EXISTING LOAN		
NEW LOAN	Note and Deed of Trust for	21,250.00
PRO-RATA - TAXES	7-1-68 to 2-14-69	209.30
- INSURANCE		
- INTEREST		
- RENTS		
Sewer	12-31-68 to 2-14-69	3.55
TITLE INSURANCE POLICY FOR \$	26,250.00	173.00
ESCROW FEE	1/2 only	41.50
RECONVEYANCE FEE		
PREPARING DOCUMENTS	Deed only	5.00
NOTARY FEE		
REVENUE STAMPS	on Deed (R.P.T.T.)	29.15
RECORDING:	Release of Mortgage	3.00
TAX COLLECTOR	4th inst. 1967-68 taxes	84.12
COMMISSION	[redacted] Realty	1,250.00
INSURANCE		
	Title Insurance and Trust Company 1/2 Collection set-up fee	5.00
AMOUNT HEREWITH - to close		3,196.38
BALANCE DUE		
TOTALS	\$26,250.00	\$26,250.00



Title Insurance and Trust Company

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FOUNDED 1893

P.O. Box 620, Carson City, Nevada

DATE January 5, 1966

ESCROW NO. OR-2410

ESCROW OFFICER Madelyn Starnes

ESCROW STATEMENT

Mink Creek Road
Pocatello, Idaho

I T E M S	D E B I T S -	C R E D I T S
SALE/PURCHASE PRICE DEPOSITS DEPOSIT RETAINED EXISTING LOAN NEW LOAN	315,000.00	90,000.00
PRO-RATA - TAXES - SEWER Sewer - INTEREST - RENTS Pro-Rata - Insurance " " " "	172.76 118.93 33.50	1,290.47
TITLES INSURANCE POLICY FOR \$ ESCROW FEE (1/2) RECONVEYANCE FEE PREPARING DOCUMENTS NOTARY FEE REVENUE STAMPS RECORDING:	164.38 14.20	
TAX COLLECTOR COMMISSION Pro-Rata - Licence INSURANCE Assignment Trust Deed Loan Costs	43.50 3,600.00	250,000.00
CHECK HEREWITH BALANCE DUE	22,143.20	
TOTALS	341,290.47	341,290.47





Title Insurance and Trust Company

P.O. Box 620, Carson City, Nevada

DATE **January 5, 1966** ESCROW NO. **OR-2410**

ESCROW OFFICER **Madelyn Starnes**

ESCROW STATEMENT

[REDACTED]
 c/o [REDACTED] Realty
 P.O. Box [REDACTED]
 Carson City, Nevada

I T E M S	D E B I T S	C R E D I T S
SALE/PURCHASE PRICE DEPOSITS DEPOSIT RETAINED EXISTING LOAN NEW LOAN		315,000.00
PRO-RATA - TAXES 1965-1966 - INSURANCE - INTEREST - RENTS - Insurance	1,290.47	118.93 33.50
TITLE INSURANCE POLICY FOR \$ 315,000.00 ESCROW FEE (1/2) RECONVEYANCE FEE PREPARING DOCUMENTS NOTARY FEE REVENUE STAMPS RECORDING:	1,133.00 164.37 7.50 346.50 8.55	
TAX COLLECTOR COMMISSION ([REDACTED] Realty)	1,290.46 15,750.00	
INSURANCE Pro-Rata- Sewer Pro-Rata- Licence To Union Federal Savings & Loan Association To First National Bank Assignment Trust Deed		 172.76 43.50 18,458.82 3,850.27 250,000.00
CHECK HEREWITH BALANCE DUE	23,068.75	
TOTALS	315,368.69	315,368.69