

SENATE  
COMMERCE & LABOR  
COMMITTEE

Minutes of Meeting  
Wednesday, March 23, 1977

The meeting of the Commerce and Labor Committee was held on March 23, 1977, in Room 213 at 1:30 P.M.

Senator Thomas Wilson was in the chair.

PRESENT: Senator Wilson  
Senator Blakemore  
Senator Ashworth  
Senator Bryan  
Senator Close  
Senator Hernstadt  
Senator Young

ALSO  
PRESENT: See attached list.

The Committee considered the following:

S.B. 317 REVISES CERTAIN LOAN LIMITATIONS AND OTHER REGULATIONS APPLICABLE TO SAVINGS AND LOAN ASSOCIATIONS.  
(BDR 56-690)

The first witness was Mr. Les Goddard, Savings and Loan Commissioner, who submitted a list of persons notified for hearing (see Exhibit A). He discussed the various sections of this bill with the Committee (see Exhibit B).

Mr. Collins Butler, Nevada Savings & Loan Association League, joined Mr. Goddard at the table. He discussed the acreage designation with the Committee as well as the bill in general. Refer to Tapes 1 and 2 for full testimony.

The Committee discussed regulations of Mr. Goddard's department.

SENATOR BRYAN suggested that the prospective lender might be required to get a survey so that the 5 acres that would be secured by the loan in improved property ratio as opposed to unimproved property, would be properly described legally.

SENATOR WILSON stated that the Committee must justify the need for the restriction upon free enterprise if it is going to adopt something which limits it.

S.B. 319      MAKES TECHNICAL CHANGES TO CERTAIN SAVINGS AND  
LOAN ASSOCIATION PROVISIONS.      (BDR 56-689)

Mr. Goddard stated this bill is just housecleaning. The two major things he had changed was the fact that there were many references to the old mutual associations which we do not have in the State of Nevada. The second change was the references to the old building and loan associations (see Exhibit C).

In response to a question by SENATOR BRYAN, Collins Butler discussed the legal relationship between a depositor and a savings and loan association and a depositor and a bank.

S.B. 313      RESTRICTS DEFINITION OF MORTGAGE COMPANY.  
(BDR 54-1119)

See Exhibit D. Discussion by Committee on BDR 54-1119 regarding amendments to S.B. 313. Mr. Goddard was present and participated in this discussion. Refer to Tape 2 for full testimony.

Bob Bowers stated what he was after was the original intent which was the terminology "in the media". He stated this covered it for them.

S.B. 308      REQUIRES CONTINUING EDUCATION FOR REAL ESTATE  
BROKERS AND SALESMEN.      (BDR 54-1022)

Bob Bowers and Gene Milligan appeared before the Committee. Mr. Bowers stated that on lines 6 and 9 they would ask for a change following the number "30 clock hours" they would want "10 clock hours". He stated he was appearing on behalf of the Nevada Association of Realtors. Supports S.B. 308.

Mr. Milligan said the Nevada Assn. of Real Estate License Law Officers have reported that 10 states

now have continuing education requirements and 21 states are considering same at this time. California has 45 clock hours every 4 years and Arizona 24 hours every 2 years. They took a poll of realtors in the state and 69% are in favor of continuing education.

The Committee discussed required hours and re-licensing for Nevada. Refer to Tape 3 for discussion.

Mr. Angus McLeod, Division of Real Estate, stated that he agreed that they can license for a 3 year period or any other period. The only complaint they ever had was that it costs a lot of money. He stated they favor this bill. Referred to line 3, "the administrator with the approval of the commission". The division objects to the language "with the approval of the commission". He believes the state should determine what the continuing education should be as a matter of policy. Regarding lines 7 and 10 and on the next page on line 2, "equivalent", he thinks there should be some equivalency for education. Discussed proof of attendance.

Mr. Lee Wilder, Education Dynamics, Las Vegas, stated there is a statutory requirement in pre-licensing that a certification must be based on not less than 2 examinations. There is not a requirement on attendance by the school. The course must have a certain number of hours. He felt there should be some definition of what attendance is.

David Wood, Northern Nevada Real Estate School, stated that the only straight requirements they have are 2 tests, but they must also certify that the student has attended 75 classroom hours, so they already have a method that is accepted by the division certifying hours of attendance, and it has been working for many years.

S.B. 337      REVISES PROVISIONS RELATING TO REAL ESTATE BROKERS AND SALESMEN. (BDR 54-1104)

Angus McLeod and Jeanne Hannifan stated they had gotten together with the industry and had agreed

upon items that would be coming out in another bill. Stated they had requested this bill, which was not agreed upon, and it was opposed by the industry.

See Exhibit F for notifications on hearings.

He indicated lines 3 and 4 were Daykinisms. Section 1, subsection 2 should be read in conjunction with subsection 2 of Section 2 - attempts to define the specific duties to be performed by the commission and the real estate division. He stated throughout the existing act there is conflicting language as to which entity is to perform which functions.

He further stated that in effect, the commission has the veto power over the division in all areas and that there have been abuses to this kind of veto authority. The language of this bill establishes the proper division of labor between the commission and the division and clarifies the law so the person studying for the examination can determine who is responsible for which function.

He discussed the passing rate with the Committee (75% for brokers and 70% for salesmen), as well as nature of test given. Refer to Tape 3 for full discussion. He discussed college requirements and lack of available classes and transferring of credits.

Mr. McLeod pointed out on line 4, page 5, there is a deletion of the fact that the division shall notify each applicant in writing of his passing or failing the examination. They do not intend to drop that at all.

The next to testify was Mr. Fred Schultz, of the Real Estate Advisory Commission. Stated they disagree with this bill, feel it is unnecessary and that it seems to change the present relationship between the advisory commission and the division. (See Exhibit G.) Agreed with Chairman Wilson that there is a need for language allowing for standards of equivalency on schooling.

SENATOR BRYAN asked about the adjustment of the pass/fail ratio. Mr. Schultz told the Committee there was justification for adjustment of the passing ratio.

Messrs. Gene Milligan and Bill Hoppe (Las Vegas), representing the Nevada Assn. of Realtors addressed the Committee. Mr. Hoppe stated they oppose S.B. 337. They feel that the combined judgment of the 5 experienced members on the commission would be subdued in the important function of regulation making. Refer to Tape 4 for full testimony. He stated that an agency when it is primarily internally controlled seems to create self-perpetuating regulations and tends to be ever more funding in personnel.

Mr. Milligan discussed the abuses that brought about the creation of the advisory commission. Stated the bill takes much power away from the commission and shifts it over to bureaucratic control. He feels that the broker has a far more significant responsibility than a salesman and therefore they are trying to upgrade the ability of the broker when he comes out to deal with the public.

SENATOR BRYAN discussed the fact that the Committee had been advised that the commission was holding a meeting shortly to discuss the fact that so many had recently passed the real estate test and the passing grade has been placed on the agenda for purposes of consideration.

Mr. Schultz advised SENATOR CLOSE that the test in California is designed by the Dept. of Real Estate and controlled by their commissioner who is in the same capacity as our administrator. The test is given on the basis that they have a library and they have a pass/fail on each question. He told the Committee that they are able to determine the pass/fail rate based on questions selected.

Mr. Lee Wilder, President of Education Dynamics, representing the Real Estate School of Reno and Las Vegas Real Estate School, stated he had discussed the material with Bernie DeOreo of the Nevada Real Estate School who was unable to come, but concurs with the statements of Mr. Wilder. He stated that although the courses required must qualify for a baccalaureate degree, that whether or not you ever received one was immaterial. Asked why the public

was forced to use state supported schools for these courses and deprived of free enterprise. Asked why college level broker courses as offered by the community college are reported as meeting the educational requirements for the real estate broker when in fact they are not transferrable into a baccalaureate degree program. He thinks the pass/fail rate should be demonstrated by levels of minimum competence by objective people. Refer to last of Tape 4 and first of Tape 5 for testimony.

He discussed in detail the pass/fail rate on the ETS examination and suggestions made regarding the examination by the company who prepared it. He urged passage of S.B. 337 or to delete from the present language of NRS 645 the statement that says a college level course leads to a baccalaureate degree. He stated a student should not have to repeat as a broker applicant almost exactly the same thing he did as a salesman applicant.

The LEGISLATURE should support and not destroy free enterprise. Should try to reduce the public's tax burden and not add to it.

Mr. David Wood stated that the instructors at the U.N. that are teaching courses are not even licensed in the same manner they are to teach the salesmen. Through the lack of these requirements and lack of experience in the field working in the industry it is proven that the passing percentage of the students that attend the U.N. is very low. In most cases nearly 50% of the students, because of state statute, attend the University for the 15 credit hours and immediately go back to the private schools for private tutoring because they know they have had inadequate education. Should consider eliminating the baccalaureate requirement at least.

S.B. 338 INCLUDES TIME-SHARING CONDOMINIUMS OR RESORTS IN REGULATION OF LAND SALES. (BDR 10-1102)

See Exhibit I submitted by CHAIRMAN WILSON.

Mr. Angus McLeod submitted Exhibit H. Discussed type of sales procedures used. Also discussed proposed BDR furnished by Senator Wilson. Discussion of problem with getting a proper time sharing bill. Committee decided to hold S.B. 338.

S.B. 339      CHANGES PROVISIONS RELATING TO REVOCATION AND  
SUSPENSION OF BARBERS' CERTIFICATES OF REGISTRA-  
TION AND BARBERSHOP LICENSES. (BDR 54-1038)

Mr. Art Daniels from the Nevada State Barbers Health and Sanitation Board, stated they are in support of S.B. 339.

SENATOR BRYAN offered Exhibit J for Committee consideration.

ADMINISTRATIVE MEETING:

The Committee considered the following:

S.B. 321      ALLOWS NONPROFIT GROUPS TO SECURE AUTOMOBILE  
LIABILITY INSURANCE COVERAGE FOR VOLUNTEER DRIVERS  
TRANSPORTING MEMBERS. (BDR 57-1042)

SENATOR ASHWORTH moved to KILL.  
Seconded by SENATOR BLAKEMORE.  
Vote: Unanimous.

S.B. 318      ADDS LAY MEMBER TO NEVADA STATE BOARD OF CHIRO-  
PRACTIC EXAMINERS AND EXTENDS SCOPE OF PRACTICE  
OF CHIROPRACTIC PHYSICIANS. (BDR 54-320)

SENATOR ASHWORTH moved to KILL.  
Seconded by SENATOR BLAKEMORE.  
Vote: Unanimous.

S.B. 317      REVISES CERTAIN LOAN LIMITATIONS AND OTHER REGULA-  
TIONS APPLICABLE TO SAVINGS AND LOAN ASSOCIATIONS.  
(BDR 56-690)

SENATOR BRYAN moved to amend and DO PASS.  
Seconded by SENATOR BLAKEMORE.  
Vote: Unanimous.

S.B. 319      MAKES TECHNICAL CHANGES TO CERTAIN SAVINGS AND  
LOAN ASSOCIATION PROVISIONS. (BDR 56-689)

SENATOR HERNSTADT moved to amend and DO PASS.  
Seconded by SENATOR BRYAN.  
Vote: Unanimous.

ADMINISTRATIVE MEETING continued:

S.B. 313 RESTRICTS DEFINITION OF MORTGAGE COMPANY.  
(BDR 54-1119)

SENATOR BRYAN moved to amend and DO PASS.  
Seconded by SENATOR BLAKEMORE.  
Vote: Unanimous.

S.B. 308 REQUIRES CONTINUING EDUCATION FOR REAL ESTATE  
BROKERS AND SALESMEN. (BDR 54-1022)

SENATOR ASHWORTH moved to amend and DO PASS.  
Seconded by SENATOR HERNSTADT.  
Vote: Unanimous.

S.B. 337 REVISES PROVISIONS RELATING TO REAL ESTATE BROKERS  
AND SALESMEN. (BDR 54-1104)

SENATOR BLAKEMORE moved to amend and DO PASS.  
Seconded by SENATOR HERNSTADT.  
Vote: Unanimous.

S.B. 338 INCLUDES TIME-SHARING CONDOMINIUMS OR RESORTS IN  
REGULATION OF LAND SALES. (BDR 10-1102)

Committee decided to hold.

S.B. 137 LIMITS INSURER'S RIGHTS OF SUBROGATION UNDER MOTOR  
VEHICLE INSURANCE ACT. (BDR 57-321)

Chairman with Mr. Daykin.

S.B. 339 CHANGES PROVISIONS RELATING TO REVOCATION AND  
SUSPENSION OF BARBERS' CERTIFICATES OF REGISTRA-  
TION AND BARBERSHOP LICENSES. (BDR 54-1038)

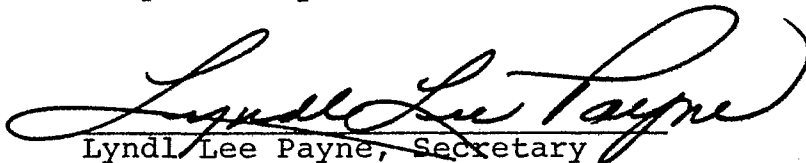
Committee decided to hold.



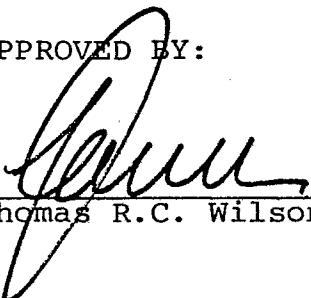
Commerce & Labor Committee  
March 23, 1977  
Page Nine

There being no further business the meeting was adjourned at  
6:00 P.M.

Respectfully submitted,

  
Lyndl Lee Payne, Secretary

APPROVED BY:

  
Thomas R.C. Wilson, Chairman

Senate

1135

PLEASE PRINT PLEASE PRINT PLEASE PRINT PLEASE PRINT PLEASE PRINT PLEASE PRINT

TESTIFYING?	NAME	ORGANIZATION	ADDRESS	PHONE
Y	Lee Wilder	Education Department	2635 N. Jefferson Ave. Las Vegas	648-1522
N	Phyllis BRASELTON	EDUCATION DEPARTMENT	3300 Montebello Reno	324-9111
N	DAVID LEE WOOD	NORTHERN NEVADA REAL ESTATE SCHOOL	1501 CARDON BLVD RENO NV	329-6279
Y	FRED M SCHULTZ	Real Estate Advisory Council	325 Barnet Springs Rd. Sun Valley, NV 89431	673-2121
Y	Jeanne ...	Real Est Div		585-4228
Y	Walter M Lead	"	Carson City	585-9222
Y	Robert ...	San Juan River	"	875-4225
Y	COLLINS E. BUTLER	NEVADA STATE BAR + REALTY ASSOCIATION	201 LHS Bldg. Reno	785-2222
Y	HAROLD DANIELS	BARBER BOARD	153 S. MARGINE FALLON NEV.	428-3222
Y	J. W. Mager	Lucim - Assoc	230 E. Liberty	786-5555
Y	Rick Rogers	"	"	"
Y	Pamela Clifton	Lucim - Associates	230 E. Liberty	786-1333
Y	Eric Oss	"	"	"
Y	Bill Hoppe	Neo Home Realtors	Las Vegas	384-2822
Y	Bob Bowen's	" " "	RENO	786-1333
Y	Jane Milligan	" " "	Carson City	822-6666



Mike O'Callaghan  
Governor

State of Nevada  
Commissioner of Savings Associations

Capitol Complex  
Nye Building  
Carson City, Nevada 89710  
(702) 885-4259

3/23

Lester O. Goddard  
Commissioner

April 15, 1977

TO: Senator Thomas Wilson  
Chairman, Senate Commerce and Labor Committee

FROM: Lester O. Goddard  
Commissioner of Savings Associations

SUBJ: AB 290 and SB 313 (Mortgage Company Act 645B)

You will recall that SB 313 (passed by the Senate) amends "advertising" by adding the words "in the media", in defining a mortgage company (NRS 645B.010 (d)).

AB 290 (passed by the Assembly) provides that advance fees must be placed in escrow until earned, with substantial penalties for failure to do so. AB 290 is very important to me in dealing with the advance fee artists who operate freely within Nevada. But these people rarely advertise "in the media", so the present wording of SB 313 very probably nullifies the effect of AB 290. I mentioned this at your Senate committee hearing on SB 313. (There is also the question of exempting others such as banks, S&Ls, etc. exempted by 645B.190). See my memo of March 28.

SB 313 is being heard today by the Assembly Commerce Committee, but as yet I see no evidence of a date for the hearing by your Committee on AB 290. I have to leave for Las Vegas on Tuesday noon, April 19, and wasn't planning to return until Thursday evening, April 21. Is there some way AB 290 can be amended and expedited before the legislative session ends, or have you already taken steps to do so?

*a division of the Department of Commerce  
Michael L. Melner, Director*

1137



State of Nevada

Exhibit #  
3-23-77

Commissioner of Savings Associations

Capital Complex

Nye Building

Carson City, Nevada 89710

(702) 885-4259

Lester O. Goddard  
Commissioner

Mike O'Callaghan  
Governor

March 23, 1977

TO: Senator Thomas Wilson, Chairman  
Commerce and Labor Committee

FROM: Lester O. Goddard, Commissioner of Savings Associations

SUBJ: SB 317 and 319 (NRS 673)

Copies of the above two bills were sent March 10 to the Presidents of each of the six state-chartered savings and loan associations:

- American Savings and Loan Association, Reno
- Family Savings and Loan Association, Reno
- First Western Savings Association, Las Vegas
- Frontier Savings Association, Las Vegas
- Home Savings Association, Reno
- Nevada Savings and Loan Association, Las Vegas

All were also advised of the hearing date at 1:30 PM, Wednesday, March 23 for both bills.

a division of the Department of Commerce  
Michael L. Melner, Director



State of Nebraska

Commissioner of Savings Associations

Capitol Complex

Nye Building

Carson City, Nebraska 89710

(702) 885-4259

Exhibit B  
3-23-77

Mike O'Callaghan  
Governor

Lester O. Goddard  
Commissioner

March 10, 1977

TO: Senator Thomas Wilson, Chairman  
Commerce and Labor Committee

FROM: Lester O. Goddard *LOG*  
Commissioner of Savings Associations

SUBJ: SB 317 (S&L associations)

It might prove helpful to give your committee in advance the reasons for the changes recommended in this bill. A committee appointed by the S&L associations reviewed them, and is in agreement with me as to their advisability.

*Sec 1 & 2*  
673.005 and .011. "Six" is changed to "four" to conform with Federal Home Loan Bank regulations, thus simplifying computer work by the associations and review work in examinations.

*Sec 3*  
673.013. Any excess over 5 acres can be covered by a separate loan on unimproved land, which is more restrictive.

*Sec 4*  
673.028. The addition has become advisable because four of the six associations now have expanded into both the northern areas and the southern areas of the state.

*Sec 5*  
673.03531. The present statute says members of this Division shall not be "interested" in any association, but this has not been clarified. There has been a general unwritten understanding that it does not include savings deposits, so I thought it advisable to codify it. Also, I suggest the 120 days to dispose of any "interest", to make it easier to hire someone already employed in the industry, by giving that person time to obtain a reasonable price in disposing of his interest, or refinance any loans with another lender.

*Sec 6*  
673.221. Basically, this changes what has proven to be almost impossible to control: at present, any stockholder requesting a loan must first have it approved by 2/3 of the Board of Directors. I am suggesting changing it to any stockholder with more than 5% of the outstanding stock. The associations simply do not have that much familiarity with every stockholder, and much is held in "street" name by brokerage houses. In the old days there were only a few stockholders, but today they are numerous.

a division of the Department of Commerce  
Michael L. Melner, Director

Senator Thomas Wilson  
Page 2  
March 10, 1977

*Sec 1*  
673.327. Subsection 1 and 2 are changed to clarify the meaning, and to update the 25 years maximum on residential loans to conform to today's standard practice of 30 years maximum (see 673.324 specifying 30 years). Subsection 3 is to liberalize loans on vacant land as an aid to developers in planning ahead for their building projects. The "60%" could be reduced to "50%", as more conservative.

*Sec 8*  
673.3271. The \$100,000 is increased to \$250,000 to conform with Federal regulations, to reflect inflation, to recognize the substantially larger size of our associations (and to reduce paper work by the associations).

*Sec 9*  
673.328. This is the 30% of assets limitation. The changes involve three parts: First, to clarify the meaning; secondly, to recognize the ravages of inflation in home values today, by raising certain minimums from \$50,000 to \$65,000; and third, to recognize the limited exposure of risk to the association due to the insurance of at least the top 20% of the loan by insuring agencies, when loans are made in excess of 80% of value.

*10*  
673.483. Information included in the CPA management letters and internal control letters are usually of as much or more importance to us in our supervisory work than the audit report itself, and today are a standard part of the CPA audit proceedings.

P.S. If you wish, I can furnish copies of this memo to the other members of the Committee. Please advise. At the hearing I can of course give fuller explanations.



State of Nebraska

Commissioner of Savings Associations

Capitol Complex

Nye Building

Carson City, Nebraska 89710

(702) 885-4259

SB 317  
319  
3-23

Lester O. Goddard  
Commissioner

*E. Hubert C.*

Mike O'Callaghan  
Governor

March 10, 1977

TO: Senator Thomas Wilson, Chairman  
Commerce and Labor Committee

FROM: Lester O. Goddard *LOG*  
Commissioner of Savings Associations

SUBJ: SB 317 and 319 (S&L associations)

Per your request at the hearing on SB 124, I am sending copies of these two S&L bills to the six state-chartered S&L associations under my supervision.

I would like to ask a favor, that you not schedule these bills for a committee hearing on March 15, 16 or 17. I must be in Las Vegas those days, involving an important hearing on branch application protests which will involve the presence of the presidents of all the S&L associations, not to mention a few attorneys. It would be difficult to re-schedule at this date.

As general background, SB 319 is strictly a long overdue housecleaning bill. It eliminates obsolete language and streamlines other language (most of the latter done by Frank Daykin's staff). My major concern, approved by all the S&L associations, was to correct two main areas: (1) references to "building and loan associations" (now an obsolete animal) and (2) language which referred to mutual savings associations, which for many years have not been legal, as all state-chartered associations in Nevada must now be stock corporations. Savings depositors are no longer "members" or "shareholders".

As for SB 317, I am writing a separate memo to explain my reasons for each recommended change.

a division of the Department of Commerce  
Michael L. Melner, Director

3/23/77

Senator Wilson —

regarding SB 317: During the early part of your hearing today you suggested that much of the bill, as a policy matter, defined by statute what probably should be left to the investors judgement — or at most controlled by regulation, not statute.

I agree completely. Lets not do ANYTHING by statute that can be left to regulation, or better yet to the judgement of free enterprise.

Lee Wilder - real estate  
1620 Birch St. investor  
Las Vegas, Nev.





*Exhibit  
20*

STATE OF NEVADA  
OFFICE OF THE ATTORNEY GENERAL  
COMMERCE DIVISION  
201 SOUTH FALL STREET  
CARSON CITY 89710

ROBERT LIST  
ATTORNEY GENERAL

ROBERT E. EDMONDSON  
DEPUTY ATTORNEY GENERAL

March 8, 1977

The Honorable Melvin D. Close  
The Honorable William H. Hernstadt  
Nevada State Senate  
Legislative Building  
Carson City, Nevada

Re: Mortgage Company Regulation

Gentlemen:

Enclosed is a copy of the amendments to S.B. 313 which we agreed to at lunch yesterday.

Sincerely,

ROBERT LIST  
Attorney General

By

A handwritten signature in dark ink, appearing to be "REEd", written over the word "By".

Robert E. Edmondson  
Deputy Attorney General

REE:mlw  
Enclosure

*Exhibit  
D*

SUMMARY--Restricts definition of mortgage company. (BDR 54-1119)  
Fiscal Note: Local Government Impact: No.  
State or Industrial Insurance Impact: No.

AN ACT relating to mortgage companies; providing that a person holds himself out as being able to perform a mortgage company function only if he advertises in the media; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND  
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 645B.010 is hereby amended to read as follows:

645B.010 As used in this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of savings associations.
2. "Mortgage company" means any person who, directly or indirectly:
  - (a) Holds himself out for hire to serve as an agent for any person in an attempt to obtain a loan which will be secured by a lien on real property;
  - (b) Holds himself out for hire to serve as an agent for any person who has money to [loan,] lend, which loan is or will be secured by a lien on real property;
  - (c) Holds himself out as being able to make loans secured by liens on real property; or
  - (d) Holds himself out as being able to service loans secured by liens on real property.

For the purposes of this subsection, a person holds himself out as being able to perform the given function only if he advertises in the media as being able to do so.

Section 2. NRS 645B.050 is hereby amended to read as follows:

645B.050 1. The mortgage company's license expires June 30 next after the date of issuance if it is not renewed. A license may be renewed by filing a renewal application, submitting [a satisfactory independent audit by a certified public accountant or by a public accountant who is registered pursuant to NRS 628.350,]

such financial data as may be required by the commissioner and paying the annual license fee for the succeeding year. The commissioner may require:

(a) An independent audit report by a public accountant certified or registered in this state; or

(b) An unaudited financial statement signed by the principal owner of the company and dated not earlier than the close of the company's latest fiscal or calendar year, if the commissioner determines that the company's mortgage activities are limited and incidental to its primary business activity.

2. The filing fees shall be:

(a) For filing an original [or renewal] application, \$100 for the principal office and \$35 for each branch office.

(b) For filing an original application from April 1 to June 30, inclusive, \$50 for the principal office of a mortgage company.

(c) For filing an application for a duplicate copy of any license, upon satisfactory showing of its loss, \$10.

(d) For filing a renewal application, the filing fees shall be determined by the dollar volume of loans originated in the preceding calendar year ended December 31, in accordance with the following schedule:

<u>Under \$1 million</u>	<u>\$100</u>
<u>\$1 million to \$2 million</u>	<u>150</u>
<u>\$2 million to \$3 million</u>	<u>200</u>
<u>\$3 million to \$4 million</u>	<u>250</u>
<u>\$4 million to \$5 million</u>	<u>300</u>
<u>\$5 million to \$10 million</u>	<u>400</u>
<u>Over \$10 million</u>	<u>500</u>

Section 3. NRS 645B.190 is hereby amended to read as follows:

645B.190 The provisions of [NRS 645B.010 to 645B.230, inclusive,] this chapter do not apply to:

1. Any person doing business under the laws of this state or the United States relating to banks, mutual savings banks, trust companies, savings and loan associations, common and consumer finance companies, industrial loan companies, credit unions, thrift companies,

insurance companies or real estate investment trusts as defined  
in 26 U.S.C. § 356.

NEVADA STATE SENATE  
COMMERCE COMMITTEE  
MARCH 23, 1977

SB 308  
Exhibit E

MY NAME IS ROBERT BOWERS. I AM A REALTOR APPEARING  
HERE ON BEHALF OF THE NEVADA ASSOCIATION OF REALTORS.

WE WISH TO VOICE OUR SUPPORT FOR SB 308, THE CONTINUING  
EDUCATIONAL BILL FOR REAL ESTATE LICENSEES. WE FEEL THAT THIS  
DEMAND FOR CONTINUING EDUCATION IS VITAL FOR THE PROTECTION OF  
THE CONSUMERS BUYING AND SELLING REAL ESTATE.

THE REASON WE FEEL SO STRONGLY ABOUT THIS REQUIREMENT  
IS THE FACT THAT SO MANY OF US HAVE COME INTO THE REAL ESTATE  
BUSINESS WITH THE PASSING OF THE EXAMINATION FOR A LICENSE  
AS OUR ONLY QUALIFICATION AND THE LARGE NUMBER OF LICENSEES  
NEVER ATTEMPT TO ADD TO THEIR KNOWLEDGE AFTER THAT TIME. MANY  
PUT THEIR LICENSES ON AN INACTIVE STATUS, THEN, WHEN AND IF THEY  
DECIDE TO ACTIVELY PURSUE THE REAL ESTATE PROFESSION, THEY ARE  
TWO OR THREE YEARS BEHIND IN THE IMPORTANT CHANGES THAT HAVE TAKEN  
PLACE IN THE REAL ESTATE INDUSTRY. THIS, AS YOU CAN IMAGINE,  
WOULD CAUSE THEIR CLIENTS TO BE THE VICTIMS OF POOR REPRESENTATION  
AND OFTEN BAD ADVISE.

THE ASSOCIATION HAS ALWAYS MAINTAINED THAT PEOPLE BUYING OR  
SELLING A HOME ARE ENTITLED TO KNOWLEDGEABLE PROFESSIONAL  
REPRESENTATION AS THEY ARE NEARLY ALWAYS SPENDING VIRTUALLY ALL  
OF THEIR HARD EARNED SAVINGS OR SELLING THE LARGEST FINANCIAL  
ASSET THEY EVER OWN.

I WOULD LIKE TO POINT OUT THAT THIS BILL MAKES DEMANDS ON  
ALL LICENSEES; EVEN THOSE OF US WITH TWENTY OR THIRTY YEARS OF  
EXPERIENCE MUST ATTEND AND QUALIFY THE SAME AS A FAIRLY NEW  
LICENSEE.

I BELIEVE THE REASON THE ASSOCIATION ASKED ME TO TESTIFY ON  
THIS PARTICULAR BILL IS THAT I HAVE BEEN ADVOCATING THIS  
REQUIREMENT FOR THE LAST TWELVE OR FOURTEEN YEARS AND MY SELLING  
POINTS TO COLLEAGUES IS THE CONCEPT OF HOW THIS LAW SHOULD WORK:

THE FIRST DEMAND SHOULD BE A THOROUGH EDUCATION ON NEW LAWS  
PASSED BY THE LEGISLATURE OR THE CONGRESS OF THE UNITED STATES AND  
THE COURT CASES THAT EFFECT THE PRACTICE AND OWNERSHIP OF REAL  
ESTATE.

AS AN EXAMPLE, EACH TIME THE LEGISLATURE MEETS HERE IN CARSON CITY, WE FIND LATER THAT APPROXIMATELY 35 TO 40 NEW LAWS OR CHANGES, IN EXISTING STATUTES, DIRECTLY EFFECT THE OWNERSHIP AND THE PRACTICE OF REAL ESTATE. THEREFORE, AS STATED, THIS SHOULD BE THE FIRST EDUCATIONAL REQUIREMENT UNDER THE CONTINUING EDUCATION BILL.

SECOND, THE REAL ESTATE DIVISION SHOULD DETERMINE, FROM THE COMPLAINTS THEY RECEIVE, WHAT ITEMS ARE THE CAUSE OF THE GREATEST NUMBER OF COMPLAINTS AND A PORTION OF THE CONTINUING EDUCATION COURSES SHOULD BE USED TO EDUCATE THE LICENSEES SO AS TO ELIMINATE THE CAUSES OF THESE COMPLAINTS

A GOOD EXAMPLE OF THAT IS THAT ADMITTEDLY, A LARGE NUMBER OF CONTROVERSIES ARE CAUSED BY THE IMPROPER, OR UNCLEARLY, DRAWN OFFER AND ACCEPTANCE FORMS. THE REASON FOR THIS IS THAT THE AVERAGE LICENSEE STUDIES THESE FORMS ONLY ENOUGH TO PASS THE EXAMINATION. SUCH EXAM KNOWLEDGE IS BASIC, BUT MORE SIMPLE THAN IS REQUIRED IN MOST ACTUAL TRANSACTIONS. UNFORTUNATELY, VOLUNTARY INSTRUCTION PROGRAMS ARE NOT SUFFICIENTLY ATTENDED TO GENERALLY IMPROVE PROPER USE OF THESE FORMS THROUGHOUT THE PROFESSION.

THE CONCEPT OF CONTINUING EDUCATION IS TO IMPROVE THE BASIC SKILLS OF LICENSEES AND TO PROVIDE THE CLIENT CONSUMER WITH MORE KNOWLEDGEABLE AND COMPETENT SERVICES FOR THEIR PROTECTION IN MATTERS WHICH HAVE SUCH AN IMPORTANT EFFECT ON THEIR FINANCIAL STATUS.

IT IS ASSUMED THAT WITH THE LARGE NUMBER OF LICENSEES IN THE STATE WHO SHALL ATTEND THE CLASSES, THE COMMISSION, OR THE DIVISION, SHOULD BE ALLOWED TO CHARGE LICENSEES A MINIMUM FEE TO COVER THE COST OF PREPARING AND TEACHING THE COURSES.

*Exhibit 7*



MIKE O'CALLAGHAN  
GOVERNOR  
MICHAEL L. MELNER  
DIRECTOR  
DEPARTMENT OF COMMERCE

STATE OF NEVADA  
CAPITOL COMPLEX  
DEPARTMENT OF COMMERCE  
REAL ESTATE DIVISION  
ADMINISTRATIVE OFFICE  
CARSON CITY, NEVADA 89710  
(702) 885-4280

ANGUS W. McLEOD  
ADMINISTRATOR  
REAL ESTATE DIVISION

March 11, 1977

NOTICE OF HEARING

Senate Bills 308, 337 and 338, copies enclosed, will be heard by the Senate Commerce and Labor Committee at 1:30 p.m., March 23, 1977, in Room 213 of the Legislative Building, Carson City, Nevada.

*Angus W. McLeod*  
Angus W. McLeod  
Administrator

Please forward notice of these bills and the hearing to all persons whom you believe should have such notice.

awm

MEMBER: NATIONAL ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Jo Anne Dain, Chairperson  
Business Department  
Western Nevada Community College  
5005 Echo Avenue  
Reno, Nevada 89506

Marcia Berasain  
Associate Dean of Occupations  
Western Nevada Community College  
2201 West Nye Lane  
Carson City, Nevada 89701

Ernest Berney  
120 N. Bailey Street  
Fallon, Nevada 89406

Bill Davies  
Director of Student Services  
Northern Nevada Community College  
901 Elm Street, Room 7  
Elko, Nevada 89801

Keith McNeil  
Offices of Conferences & Institutes  
University of Nevada  
Las Vegas, Nevada 89109

Doug Ponn  
University of Nevada  
Frazier Hall, Room 109  
Las Vegas, Nevada 89154

Nick Horn  
Clark County Community College  
3200 East Cheyenne Avenue  
North Las Vegas, Nevada 89030

Alfred J. Peevers  
Peevers & Associates  
Airport Plaza  
1755 E. Plumb Lane  
Reno, Nevada 89502

Mr. William E. Cozart  
Executive Vice President  
Nevada Association of REALTORS  
Post Office Box 7338  
Reno, Nevada 89502

Mr. Duane Laubach, President  
Las Vegas Board of REALTORS  
1250 Burnham Avenue  
Las Vegas, Nevada 89104

Mrs. Jessie Emmett, President  
Nevada Association of REALTORS  
807-811 Decatur Bl., South  
Las Vegas, Nevada 89107



Hon. Olivia D. Silvagni, Secretary  
Real Estate Advisory Commission  
1100 E. Sahara Av., Bldg. 1, F  
Las Vegas, Nevada 89105

Catherine Darrah, Continuing  
Education Specialist  
Extended Programs & Cont. Educa  
University of Nevada  
Reno, Nevada 89557

Hon. Carl F. Fuetsch  
Real Estate Advisory Commission  
100 California Avenue  
Reno, Nevada 89502

Phyllis Braselton  
Education Dynamics Institute  
350 Cheney Street  
Reno, Nevada 89502

Hon. Robert W. Hass  
Real Estate Advisory Commission  
Post Office Box 1903  
Carson City, Nevada 89701

David Wood  
Northern Nevada Real Estate Sch  
1301 Cordone Avenue  
Reno, Nevada 89502

Mr. Gene Milligan, President  
Carson-Douglas-Tahoe Board of  
REALTORS  
Post Office Box 2001  
Carson City, Nevada 89701

Bernie DiOrio  
Real Estate School of Nevada  
1788 East Charleston Blvd.  
Las Vegas, Nevada 89104

J. R. LaMay, Sr., President  
Reno Board of REALTORS  
Post Office Box 1668  
Reno, Nevada 89505

Dave Keene  
Education Dynamics Institute  
2635 North Decatur Blvd.  
Las Vegas, Nevada 89108

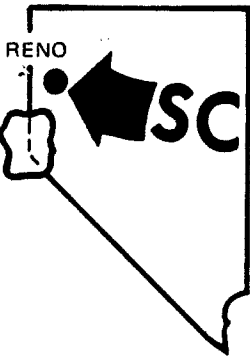
Incline Village Board of REALTORS  
Post Office Box 3033  
Incline Village, Nevada 89450

Lee Wilder  
Education Dynamics Institute  
2635 North Decatur Blvd.  
Las Vegas, Nevada 89108

Fallon Board of REALTORS  
510 E. Williams Avenue  
Fallon, Nevada 89406

Hon. Fred M. Schultz, Vice Pres  
Real Estate Advisory Commission  
511 E. Second Street  
Reno, Nevada 89502

Hon. Elizabeth Krolak, President  
Real Estate Advisory Commission  
2915 West Charleston  
Las Vegas, Nevada 89102



Fred M.  
**SCHULTZ, AFLM**

REALTOR - COUNSELOR - APPRAISER

511 EAST SECOND STREET, SUITE 201  
RENO, NEVADA 89502

BUS. PHONE (702) 322-4088  
RES. PHONE (702) 673-2121

LICENSED BROKER IN NEVADA AND CALIFORNIA

88 357  
Exhibit  
G

March 16, 1977

The Honorable Spike Wilson, Chairman  
Senate Commerce and Labor Committee  
Legislative Office Building  
Capitol Complex  
Carson City, NV. 89710

Dear Senator Wilson:

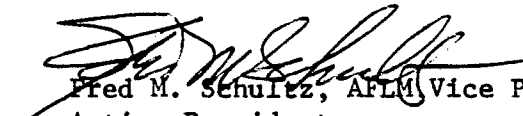
Enclosed with this note is a copy of a resolution passed unanimously at a meeting of the Nevada Real Estate Advisory Commission yesterday in Carson City, Nevada.

We are sure you are familiar with this legislation and will hear testimony in committee March 23, 1977 at 1:30pm. I am planning to attend that session and should your committee wish I will be prepared to testify.

May I also add that asside from the Commission action related here, I personally endorse a continuing education program for real estate licensees and hope that you see this action as a step toward professional advancement of the real estate industry.

Sincerely,

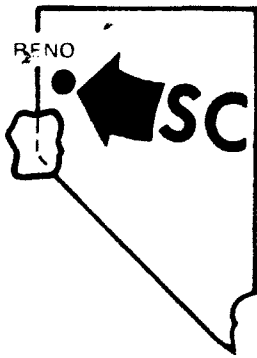
NEVADA REAL ESTATE ADVISORY COMMISSION

  
Fred M. Schultz, AFLM Vice President  
Acting President



The AFLM designation is awarded by the Farm and Land Institution to Realtors who have successfully completed a prescribed education program and who have more than five years experience in marketing rural and urban real estate.

*Exhibit B*



Fred M.  
**SCHULTZ, AFLM**

REALTOR - COUNSELOR - APPRAISER

511 EAST SECOND STREET, SUITE 201  
RENO, NEVADA 89502

BUS. PHONE (702) 322-4088  
RES. PHONE (702) 673-2121

LICENSED BROKER IN NEVADA AND CALIFORNIA

**RESOLUTION OF THE NEVADA REAL ESTATE ADVISORY COMMISSION**

**WHEREAS:**

It seems to be the desire of the sponsor of SB 337 to:

1. Change the present relationship between the Nevada Real Estate Advisory Commission and the Nevada Real Estate Division, and
2. Eliminate the Real Estate Advisory Commission hearing process prior to the adoption of any rules and regulations regarding the real estate industry, and
3. Eliminate the Real Estate Advisory Commission hearing process in waiving educational requirements as specified by the Legislature, and
4. Eliminate the present standards of education established by the Legislature and substituting therefore unknown standards that may be adopted at will be the Nevada Real Estate Division, and

**WHEREAS:**

It seems to the Nevada Real Estate Advisory Commission that the enactment of SB 337 would be detrimental to the citizens of Nevada who would contemplate a real estate career as well as to the real estate industry of Nevada, now therefore

**BE IT RESOLVED:**

That the Nevada Real Estate Advisory Commission strongly disapproves the enactment of SB 337 by the 1977 Nevada Legislature, and

**BE IT FURTHER RESOLVED:**

That the acting President of the Nevada Real Estate Advisory Commission shall forward a copy of this resolution to the Chairmen of the Senate and Assembly Commerce and Labor Committees of the Nevada State Legislature together with a cover letter advising that the Commission would be most happy to appear at legislative committee hearings on SB 337.

Commissioners Present: Schultz, Silvagni, Fuetsch and Haas.

Commissioner Absent : Krolak

Attest :

*Fred M. Schultz*  
Fred M. Schultz, Acting President



The AFLM designation is awarded by the Farm and Land Institute to Realtors who have successfully completed a prescribed education program and who have more than five years experience in marketing rural and urban real estate.



*Exhibit  
H*

STATE OF NEVADA  
OFFICE OF THE ATTORNEY GENERAL  
COMMERCE DIVISION  
201 SOUTH FALL STREET  
CARSON CITY 89710

ROBERT LIST  
ATTORNEY GENERAL

March 22, 1977

ROBERT E. EDMONDSON  
DEPUTY ATTORNEY GENERAL

The Honorable Thomas R. Wilson  
Nevada State Senate  
Legislative Building  
Carson City, Nevada

Re: Commerce Department's Proposed Amendments to S.B. 338

Dear Senator Wilson:

1. Add a new section to read as follows:

"Time shared subdivision" means a subdivision in which ownership or use of individual units is based upon periods of time and includes time shared ownership, interval ownership, vacation lease and vacation license and means shared occupancy of improved or unimproved real property under an arrangement whereby each owner or user is provided the right to use the property annually during one or more chosen time periods.

2. Amend NRS 119.110 to read as follows:

"Subdivision" means any land or tract of land, including time shared subdivisions, but not including condominiums or any apartment house leased as a residence for one or more families, in another state, in this state or in a foreign country from which a sale is attempted, which is divided or proposed to be divided over any period into 35 or more lots, parcels, units or interests, including but not limited to undivided interests, which are offered, known, designated or advertised as a common unit by a common name or as a part of a common promotional plan of advertising and sale.

3. Amend 119.120 (1) (e) to read as follows:


By any person licensed in the State of Nevada to construct residential buildings and where [such] the land being offered

The Honorable Thomas R. Wilson  
March 22, 1977  
Page Two

or disposed of [is to include a residential building when disposition is completed.] is a subdivision containing single-family residential houses, condominiums or town-houses when disposition is completed, unless such improvements are to be time shared.

Sincerely,

ROBERT LIST  
Attorney General

By   
Robert E. Edmondson  
Deputy Attorney General

REE:mlw

cc: Michael L. Melner  
Angus McLeod

AN ACT relating to the regulation of certain enterprises engaging in the sale of rights or options for periodic use or occupancy over terms of four or more years of lodging or recreational facilities or areas; providing for registration of such offerings; providing for disclosure to purchasers of the terms and conditions of the rights or options offered by such enterprises and the features of the facilities and areas for which such rights or options are offered; providing remedies to purchasers; and providing other matters properly related thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. Title 7 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 25, inclusive, of this act.

SECTION 2. This chapter may be cited as the Truth in Time Sharing Act.

SECTION 3. Wherever used in this chapter, unless a different meaning clearly appears from the context, the words and terms defined in sections 4 to 13, inclusive, of this act have the meanings ascribed to them in such sections.

SECTION 4. "Administrator" means the Director of the Department of Commerce of the State of Nevada.

SECTION 5. "Alternate Facility" means any lodging or recreational facility or area or part thereof, including, without limitation, facilities or areas located in another state, a territory or foreign country, with respect to which a time sharing agreement confers a contingent right or option for use or occupancy which, if exercised, extinguishes a right or option otherwise

provided in such time sharing agreement for use or occupancy of a time sharing facility during any use period or portion thereof.

SECTION 6. "Deferred Charge" means any charge or payment which is imposed on or required to be made by the purchaser under a time sharing agreement either as an obligation of the purchaser, as a condition to the use or occupancy of a time sharing facility or portion thereof or any equipment, facility, furniture or furnishings therein, or as a consequence of any such use or occupancy; except that such term does not refer to any charge or payment by the purchaser required to be disclosed in the transaction pursuant to The Truth in Lending Act, 15 USC §§ 1601-1665.

SECTION 7. "Issuer" means a person who enters into a time sharing agreement with a purchaser.

SECTION 8. "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

SECTION 9. "Sales Agent" means a person who offers or sells a time sharing agreement to a purchaser.

SECTION 10. "Time Sharing Agreement" means any agreement, card, ticket, coupon or similar document or object which, alone or in combination with one or more other such documents or objects delivered as part of the same offer or sale, confers or otherwise evidences a right or option over a term of four or more years on the part of the purchaser or holder for non-continuous use or occupancy of any lodging or recreational facility or area or portion thereof in this state or in another state, a territory or foreign country.

SECTION 11. "Time Sharing Facility" means any lodging or recreational facility or area, including, without limitation facilities or areas located in another state, a territory or foreign country, with respect to which a right or option for non-continuous use or occupancy over a term of four or more years is offered or sold under terms which guarantee use or occupancy thereof either unconditionally or subject only to notice and payment by the purchaser.

SECTION 12. "Time Sharing Rights" means all rights and privileges expressly granted to purchasers or their invitees or designees pursuant to a time sharing agreement.

SECTION 13. "Use Period" means the period of time granted to or otherwise held by a purchaser under a time sharing agreement for periodic use or occupancy of a time sharing facility, including predeterminable times as well as times with respect to which a right of use or occupancy arises as a result of a notice or reservation.

SECTION 14. This chapter shall not apply to any offer or sale of a time sharing agreement:

(a) Which is designed to convey an interest in a "subdivision" as defined in NRS 119.110, or in any portion thereof;

(b) Which is a "security" as defined in NRS 90.090;

(c) Which requires payment by the purchaser of a cash price and deferred charges in an aggregate amount not exceeding \$1,000.00; or

(d) Which is entered into as a consequence of an application by the purchaser for membership in a club or organization so long as such application has not been directly or indirectly solicited by the management of such club or organization and not less than one week elapses between the date of the membership application and the date that any contract is signed or fee paid by the applicant.



SECTION 15. Time sharing agreements except those exempt under any of the provisions of section 14 of this act shall not be offered or sold in this state unless such time sharing agreements are registered as hereinafter provided. A record of the registration of time sharing agreements shall be kept in a register of time sharing agreements in the office of the administrator, in which register of time sharing agreements shall also be recorded any orders entered by the administrator with respect to such time sharing agreements. Such register, and all information filed with the administrator with respect to the time sharing agreements registered therein, shall be open to public inspection.

SECTION 16. 1. The administrator shall receive and act upon applications for registration of time sharing agreements. Applications shall be in writing and shall be duly signed and sworn to by the issuer and filed with the administrator.

2. The administrator may require the issuer to submit to the administrator the following information with respect to the issuer, the terms and conditions of the time sharing agreement, the time sharing facility and any alternate facilities in connection with an application for registration of a time sharing agreement to enable him to ascertain if a time sharing agreement shall be registered pursuant to the provisions of this section:

(a) The names and addresses of its directors, trustees and officers, if the issuer is a corporation or association or trust; of all partners, if the issuer is a partnership; and of the issuer, if the issuer is an individual.

(b) The location of the issuer's principal business office and of its principal office in this state, if any.

(c) The purposes of incorporation (if incorporated) and the general character of the business actually to be transacted by the issuer.

(d) A statement of the capitalization of the issuer and a balance sheet showing the amount and general character of its assets and liabilities on a day not more than fifteen months prior to the date of filing such balance sheet.

(e) A statement of the amount of the issuer's income, expenses, and fixed charges during its last fiscal year, or if in business less than one year, then for such time as the issuer has been in business.

(f) A statement showing the maximum price at which such time sharing agreements are proposed to be sold.

(g) A general statement of the plan upon which the issuer proposes to transact business.

(h) A copy of the time sharing agreement for the registration of which application is being made.

(i) A detailed description of the time sharing rights to be conferred on or otherwise held by purchasers under the time sharing agreement for the registration of which application is being made.

(j) A detailed description of any and all deferred charges under the time sharing agreement for the registration of which application is being made.

(k) A detailed description of all limitations on the duration and frequency of use periods and of all terms and conditions applicable to the reservation or utilization of use periods under the time sharing agreement for the registration of which application is being made.

(l) A detailed description of the features, amenities, equipment, furniture, furnishings and location of the time sharing facility or facilities, if more than one.

(m) A general description of the features, amenities, equipment, furniture, furnishings and location of any alternate facility or facilities, if more than one.

(n) A general description of all limitations on the availability of alternate facilities and on the duration and frequency of use periods and the terms and conditions applicable to the reservation or utilization of use periods at any alternate facilities.

(o) If the issuer is a corporation, there shall be filed with the application a certified copy of its articles of incorporation with all amendments and of its existing bylaws, if not already on file in this state. If the issuer is a trustee there shall be filed with the application a copy of all instruments by which the trust is created or declared and in which it is accepted and acknowledged. If the issuer is a partnership, unincorporated association or joint stock company, or any other form of organization, there shall be filed with the application a copy of its articles of partnership or association and all other papers pertaining to its organization, if not already on file in this state.

(p) There shall be filed with the application a copy of an M.A.I. appraisal of each time sharing facility with respect to which time sharing rights are proposed to be sold under the time sharing agreement for the registration of which application is being made.

3. All statements, exhibits and documents of every kind required by the administrator under this section, except properly certified public documents, shall be verified by the oath of the issuer in such manner and form as may be required by the administrator.

4. At the time of filing the information as hereinbefore prescribed in this section, the applicant shall pay to the administrator a fee of \$5,000.

5. Unless upon examination and investigation of any application the administrator shall find that the registration of a time sharing agreement should be refused pursuant to the provisions of section 20 of this act, he shall record the registration of such time sharing agreement in the register and thereupon such time sharing agreement so registered may be sold by the issuer or by any sales agent subject to the provisions of section 17 of this act.

SECTION 17. 1. The issuer shall prepare a time sharing circular setting forth the contents of the issuer's application for registration in such detail as the administrator shall require.

2. Neither the issuer nor any sales agent shall enter into a time sharing agreement until:

(a) A copy of the time sharing circular relating thereto which complies with the requirements of subsection 1 of this section 17 has been delivered to each prospective purchaser; and

(b) The prospective purchaser has executed a receipt for such time sharing circular. The receipt taken for any time sharing circular shall be kept on file in possession of the issuer subject to inspection by the administrator or his agents for a period of three years from the date the receipt was taken.

3. If after a time sharing circular has been prepared, any event or circumstance occurs which renders the time sharing circular misleading to purchasers in any material respect, the issuer shall promptly amend or supplement the time sharing circular in order to make the information contained therein not misleading and thereafter furnish copies of such amended or supplementary time sharing circular to purchasers. A copy of an amendment or supplement to a time sharing circular shall be filed with the administrator within five days after the effective date of such amendment or supplement.

4. Unless an application for registration is updated by the issuer by filing an amendment or supplement thereto with the administrator, the registration of a time sharing agreement shall expire upon the earlier to occur of:

(a) thirteen months after the effective date of such registration or most recent amendment or supplement thereto; or

(b) fifteen months after the date of the most recent balance sheet filed by the issuer with the administrator.

5. At the time of filing any amendment or supplement to an application for registration or a time sharing circular the issuer shall pay to the administrator a fee of \$250.00.

SECTION 18. 1. Upon any application for registration when the issuer is not domiciled in this state, there shall be filed with such application the irrevocable written consent of the issuer that in suits, proceedings and actions growing out of the violation of any provision of this chapter, the service on the administrator of any notice, process or pleading therein, authorized by the laws of this state, shall be as valid and binding as if due service has been made on the issuer.

2. The written consent shall be authenticated by the seal of the issuer, if it has a seal, and by the acknowledged signature of a member of the partnership or company, or by the acknowledged signature of any officer of the incorporated or unincorporated association, if the issuer is an incorporated or unincorporated association, duly authorized by resolution of the board of directors, trustees or managers of the corporation or association, and shall in such case be accompanied by a duly certified copy of the resolution of the board of directors, trustees or managers of the corporation or association, authorizing the officers to execute the same. In case any process or pleadings mentioned in this chapter are served upon the administrator it shall be by duplicate copies, one of which shall be

filed with the administrator and another immediately forwarded by the administrator by registered mail to the principal office of the issuer against which said process or pleadings are directed.

SECTION 19. Neither the registration, extension of registration, approval of a circular or any amendment thereof or supplement thereto shall be construed to be an approval or disapproval of a time sharing agreement by the administrator. The administrator and his agents shall not be liable for any injury, damage or other consequences on account of any breach, misrepresentation, negligence or other act or omission of the issuer, any sales agent or any other person connected with a time sharing program.

SECTION 20. Registration under the provisions of section 16 of this Act may be refused or any registration granted may be revoked by the administrator if after reasonable notice and a hearing the administrator determines that an issuer:

(a) Has made a material false statement in the application for registration of the time sharing agreement;

(b) Has violated any provision of this chapter or any regulation made hereunder;

(c) Is not the owner subject to a conventional mortgage of any time sharing facility described in the application for registration or circular;

(d) Is not obligated to the purchaser under the time sharing agreement to provide time sharing rights for use or occupancy of at least one time sharing facility;

(e) Has not entered into contracts with the owners of any alternate facilities described in the application for registration or with authorized representatives of such owners providing for use or occupancy of alternate facilities on and subject to the terms and conditions described in the application for registration;

SECTION 21. 1. The administrator in his discretion

may:

(a) Make such public or private investigations as he deems necessary to determine whether any person has violated or is about to violate any provision of this chapter, or to aid in the enforcement of this chapter;

(b) Require or permit any person to file a statement in writing, under oath or otherwise as the administrator determines, as to all the facts and circumstances concerning the matter to be investigated; and

(c) Publish information concerning any violation of this chapter.

2. For the purpose of any investigation or proceeding under this chapter, the administrator or any deputy designated by him may administer oaths and affirmation, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements or other documents or records which the administrator deems relevant or material to the inquiry.

3. In case of contumacy by, or refusal to obey a subpoena issued to, any person, any district court of the State of Nevada, upon application by the administrator, through the attorney general, may issue to the person an order requiring him to appear before the administrator or any deputy designated by him, there to produce documentary evidence if so ordered or to give evidence touching the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.

4. No person is excused from attending and testifying or from producing any document or record before the administrator, or in obedience to the subpoena of the administrator or any deputy

designated by him, or in any proceeding instituted by the administrator, on the ground that the testimony or evidence (documentary or otherwise) required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he is compelled, after claiming his privilege against self-incrimination, to testify or produce evidence (documentary or otherwise), except that the individual testifying is not exempt from prosecution and punishment for perjury or contempt committed in testifying.

SECTION 22. The provisions of the Nevada Administrative Procedure Act (chapter 233B of NRS) for the hearing, determination and review of contested cases apply to actions of the administrator or any deputy administrator under this section, and the findings and decision are a public record.

SECTION 23. Whenever it appears to the administrator that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter, he may in his discretion, through the attorney general, bring an action in any district court of the State of Nevada to enjoin the acts or practices and to enforce compliance with this chapter. Upon a proper showing, a permanent or temporary injunction, restraining order or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets. The court may not require the administrator to post a bond.

SECTION 24. Every sale made in violation of any of the provisions of this chapter shall be voidable at the election of the purchaser; and the issuer shall be liable to the purchaser in an action at law in any court of competent jurisdiction upon



tender of the contract made, for the full amount paid by such purchaser, provided, that no action shall be brought for the recovery of the purchase price after six months from the date of such sale; and provided further, that no purchaser otherwise entitled shall claim or have the benefit of this section who shall have refused or failed within thirty days from the date thereof to accept an offer in writing of the issuer to take back the time sharing agreement in question and to refund the full amount paid by such purchaser less the value of all lodging, services or other benefits that may have been received by such purchaser or his invitees or designees, such valuation to be based on the published rates charged to transient guests.

SECTION 25. The administrator shall, not later than August 1, 1977, and may from time to time thereafter, promulgate such regulations as he deems necessary for the carrying out and enforcement of the provisions of this chapter.

SECTION 26. Sections 2 to 24, inclusive, of this act shall become effective at 12:01 a.m. on November 1, 1977, and section 25 of this act shall become effective at 12:01 a.m. on July 1, 1977.



*Exhibit J*

STATE OF NEVADA  
OFFICE OF THE ATTORNEY GENERAL  
CAPITOL COMPLEX  
SUPREME COURT BUILDING  
CARSON CITY 89710

ROBERT LIST  
ATTORNEY GENERAL

September 16, 1976

Elmo H. Martinelli, Secretary  
Nevada State Barbers Health and Sanitation Board  
1535 Clemson Road  
Reno, Nevada 89502

Re: Injunctive Relief

Dear Elmo:

This is in response to your request for proper wording to obtain the statutory power to seek injunctive relief. I would suggest that the Board consider adding a new section to the statute which provides basically as follows:

"The Board may bring an action to enjoin any act which would be in violation of the provisions of this chapter or the rules and regulations promulgated pursuant thereto. Such action shall be commenced in the district court in and for the county in which the act is to occur or has occurred, and shall be in conformity with Rule 65 of the Nevada Rules of Civil Procedure, except that the Board shall not be required to allege facts necessary to show or tending to show lack of adequate remedy at law or irreparable damage or loss."

Should you have any further questions concerning this matter, please do not hesitate to contact me concerning the same.

Sincerely,

ROBERT LIST  
Attorney General

By *MW*  
Michael W. Dyer  
Deputy Attorney General

MWD:cl

NRS 643.160: Causes for revocation, suspension, refusal to issue certificates. The board may either refuse to issue or renew, or may suspend or revoke, any certificate of registration for any of the following causes:

1. Conviction of a felony.
2. Malpractice or incompetency.
3. Continued practice by a person knowingly having an infectious or contagious or communicable disease.
4. Advertising, practicing or attempting to practice under another's name or another's trade name.
5. Habitual drunkenness or habitual addiction to the use of a controlled substance as defined in chapter 453 of NRS.
6. Violation of any of the provisions of NRS Chap. 643[.200] or any of the [sanitary] regulations [of this chapter or those] promulgated by the board.

NRS 643.1717: Suspension, revocation of licenses.

1. The board may immediately suspend a license to operate a barbershop for violation of any of the applicable provisions of this chapter or the regulations promulgated pursuant thereto until the violation is cured.

2. The board may revoke or suspend a license to operate a barbershop for violation of any of the provisions of NRS Chapter 643 or any of the regulations promulgated pursuant thereto provided [after such license has been suspended three times if] the board first gives the licensee 20 days' written notice of the proposed <sup>revocation</sup> revocation and affords such licensee a proper hearing.

3. Whenever a license to operate a barbershop has been suspended or revoked for a violation of the [sanitary] provisions of this chapter or ~~the~~ [sanitary requirements] of the board, the board shall post a notice on the shop stating the fact of suspension or revocation and the reason therefor.\*

\* I wasn't sure if you wanted to amend subsection (3) of NRS 643.1717. If you desire to amend subsection (3) so as to require posting whenever a license has been suspended or revoked for any reason, simply remove the word "sanitary" as it appears on line 2 of subsection (3) and remove the words "sanitary requirements" as they appear in line 3 of subsection (3) and substitute therefor the word "regulations".

*Regulations  
Promulgated  
2/1*