

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON JUDICIARY

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
April 13, 1981

The Senate Committee on Judiciary was called to order by Chairman Melvin D. Close, at 8:15 a.m., Monday, April 13, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Melvin D. Close, Chairman
Senator Keith Ashworth, Vice Chairman
Senator Don W. Ashworth
Senator Jean E. Ford
Senator William J. Raggio
Senator William H. Hernstadt
Senator Sue Wagner

STAFF MEMBER PRESENT:

Shirley LaBadie, Committee Secretary

SENATE BILL NO. 429--Regulates sale of time-share estates and time-share licenses.

Chairman Close advised the committee and audience the hearing would continue on S. B. No. 429 which had been originally heard on April 1, 1981.

Mr. Bob Bilbray, American Land Development Association, supplied the committee with proposed amendments which were developed by the association in relation to S. B. No. 429. See Exhibit C attached hereto.

Mr. Bilbray stated the change in Section 1 was a renumbering of sections because of the addition of a definition of a public offering statement.

Discussion of Section 10 resulted in the addition of the language, not related to the purchase of a time-share, also that out-of-state offerings would not be excluded.

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Mr. David E. Thompson, Plaza Resort Club, offered written comments on S. B. No. 429, attached hereto as Exhibit D.

Senator Raggio questioned how the language referring to the exclusion of out-of-state sales was put in the bill. Mr. Thompson said it was new wording and there was no real need for it, other than the Division of Real Estate may have a problem in the case where a time-share developer in California may advertise in an airline magazine. An advertisement could end up in the state of Nevada. It would be difficult to require that kind of advertiser to make some kind of registration.

Mr. Wadhams stated it is a question of intent, if the promoter is attempting to solicit purchasers and is making an offer in the state with the intent that it will be accepted, then the legislature should give the division the power to tax citizens in the state buying time-shares.

In discussing Section 18, Mr. Thompson stated time-shares are defined now the way S. B. No. 429 currently reads, Section 18 does not need to go beyond that. Mr. Thompson said between the model act and S. B. No. 429, it is a redraft of the wording which would fit the state of Nevada and work for the Division of Real Estate in giving them the ability to regulate. The bill covers the Nevada residents very thoroughly but also covers and helps the tourist trade as well.

Chairman Close said there was a concern during previous testimony that you could avoid the operation of Section 18 by having only four time-share periods over four years and be excluded from the act. This leaves the door open for abuses. Senator Raggio said they did not intend to regulate homes which are leased out for seasonal operation for a few years. Chairman Close said any combination of years and periods could be used to avoid the act. Senator Raggio said the reason for the five year period was to avoid the short-term rental situation or advance reservation system. Mr. Bilbray said any changes in Section 18 and 22 should be consistent.

Mr. Bilbray stated in Section 28, the industry's consensus is that out-of-state projects marketed within the state should be covered by the act. It is a suggestion a grandfather provision with respect to those projects presently registered and have public offering statements effective with the division under NRS 119 be included.

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Chairman Close said if NRS 119 was going to be changed, the approval of the Real Estate Division is needed. This is in Section 28, subsection 3. Mr. Hoy stated his concern was with the last sentence, he did not understand it. It appears the bill drafters made the changes. Senator Raggio said if a time-share is in existence, all the rights under the law will apply.

Mr. Luman questioned Section 28.1 with regard to parcels within the state. Senator Raggio stated it does not apply to all time-shares, it applies to time-shares within this state or sold in this state, or offered in this state. Chairman Close said the language should read, all time-share created in units and independent parcels offered within this state, this would cover it.

Further testimony on S. B. No. 429 will be from the new proposed draft with reference to section numbers. See Exhibit C.

Senator Wagner asked how much extra personnel will be needed to enforce the provisions of the legislation. Mr. Wadhams stated a fiscal note had been attached to the original bill. Approximately three additional people will be needed.

Chairman Close asked if in Section 31 language is usually included which says, within the limits of appropriations. Mr. Wadhams said, as written, it is the standard language in almost all the laws, by the nature of the agency, it is limited. No one can be employed unless the money committees are approached and a line item is made for a staff person.

Senator Wagner asked in reference to Section 30, of an example when under the land sales act, a person can use a waiver. Mr. Thompson said the land sales act has a very large number of exemptions provided in it for land developers. They could get an exemption and not be required to register under NRS 119. Some similar situations could occur in the time-sharing industry and the administrator of the division would find these situations, in small projects there may be no necessity to register it.

With reference to Section 36, subsection 4, Senator Wagner asked if the term "trade secret" could be explained. Mr. Wadhams said a list of purchasers is a good example. In another situation, a third party wanted a list of the purchasers and information, and that is very sensitive information because people are in marketing competition with each other. NRS 119.280 has the same language.

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Chairman Close asked if Section 38, subsection 4, requires a production of title insurance policy. Mr. Thompson stated in the past in the Division of Real Estate, they have been able to accept an attorney's title opinion on a piece of property. This does give the division the authority to further require information if they were not satisfied with the response.

Senator Hernstadt is if there is a catch-all phrase in the bill in case something is forgotten which needs to be added. Mr. Thompson stated, Section 40.1 would provide for this. Senator Raggio stated there has been considerable experience with the time-sharing process here and elsewhere and the bill is very comprehensive as written.

Chairman Close questioned Section 38, subsection 12. He did not feel one year is long enough for a projection. Mr. Bilbray stated the purpose of this clause is to give the division the ability to review what proposed annual maintenance fees are being represented with the offering. This area is subject to many problems in a time-share project. The reason for the one year budget is it is easier to confirm. Chairman Close stated this provision provides for one year after the date of the first sale. If a purchase is made in the 11th or 15th month, the projected budget is not meaningful to the prospective buyer. Mr. Thompson stated the public offering statement would cover this issue for the prospective purchaser. The Division of Real Estate, upon review of the application of information could provide a cautionary statement regarding the assessments or annual maintenance fees.

Mr. Richard Dreschler, Plaza Resort Club, stated in reviewing documents, the developers have provided a limitation on the amount of increase in the annual maintenance fees.

Mr. Wadhams stated an amendment could be used as a basis for a denial of the issuance of the public offering statement. See Exhibit E attached hereto. This would provide that if the developer has failed to demonstrate, to the satisfaction of the administrator, that adequate financial arrangements have been made for the protection of the public, and would allow for the review of the statement.

Senator Raggio stated this would allow for the setting of up of escrow fees and accounts and he would not agree to that. It would defeat the entire time-share process. It would not be able to function. Mr. Luman stated the provisions are in NRS 119 of the land sales act.

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Senator Hernstadt stated there is no way of guaranteeing the cost of units, twelve months is hard but certainly not for five years. Mr. Luman said the provisions of NRS 119 address the problem of having a blanket encumbrance on the property, is not addressed to fixed taxes. Mr. Wadhams stated the idea behind this, rather than a trust or escrow account is something similar to what many of the lenders do, is an impound account which estimates a certain portion of the fees to be set aside for the expenses.

Mr. Hoy stated he had some concerns with the proposed amendment, everything and anything could be done, up to the administrator's discretion. NRS 119 states grounds for denial are inability to demonstrate that adequate financial arrangements have been made for all outside improvements included in the offering. That is an objective standard. These can be determined. The proposed amendment is a subjective standard on the part of the administrator. What is being looked at is disclosure to the public to the point that they are not defrauded or taken advantage of. If it is subjective to the buyer on an objective basis, then the administrator can deny it, but a second step should not be taken, to whatever he decides. He prefers certain things to be set out, there should be objective standards. These provisions are in Section 40.

Senator Wagner asked in Section 38, subsection 11, an example could be given of a taxing area or assessment district. Mr. Bilbray stated there are several, Douglas, Incline Village and Kingsbury General Improvement District.

Mr. Bilbray stated there had been considerable testimony and comments regarding adequate financial assurances and leaving a broad general discretionary ability in the administrator, based upon its existence in NRS 119. When NRS 119 was adopted in 1973, the circumstances surrounding the land sales industry were substantially different than around the time-sharing industry now. There were abuses in the land sales industry which necessitated a board general authority being given to the division. This is not the case in the time-sharing industry today.

Senator Wagner asked Mr. Bilbray to suggest some language since he seems to feel it is too broad and leaves too much discretion to the administrator. Mr. Bilbray suggested the division identify specifically what financial arrangements it was concerned with. The concerns need to be made known and very well defined specific provisions for compliance by the developer.

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Mr. Thompson referred to Section 40 which states the administrator may deny a statement, he has the options to make sure the purchasers are getting exactly what they bargained for, including the entire term of their purchase, the administrator can deny the statement.

Mr. Luman stated you can never keep an operationer from going into foreclosure, the object is to keep the developer from leaving with the money. There is no problem with the units covered under NRS 119 because they are required to set up an escrow account if there is a blanket encumbrance. It is the licenses which are not regulated now.

Mr. Wadhams stated in the right to use situation, it is not susceptible to the same kind of treatment as the fee operation. He does not want to expand the regulatory power, they want to respond to certain sensitivities which were raised previously.

Chairman Close stated there were no suggested changes in Section 37 after the discussion, input from the committee and interested parties would be considered when the committee decides to take action on the bill.

Chairman Close referred to Section 40, subsection 1 and the last sentence which reads, The administrator may publish the public offering statement. He asked why this would be done. Mr. Thompson stated this gives the administrator the ability to publish a full disclosure document that the purchaser can understand. He said he had worked on the land sales act when employed by the Division of Real Estate and wrote them in a 9th grade educational manner, a very basic layman's language as thorough as possible so that a consumer could understand. The administrator should have the authority to provide the format for the publication so the purchaser will understand what he is getting in the public offering statement.

Mr. Dreschler stated the intent of this section is the administrator may cause to be published, the public offering statement. Presently under NRS 119, the burden of doing the printing is on the developer, not on the agency. Chairman Close stated he felt the division should have the power to arrange the forms for the offering statement to be followed by all developers.

Mr. Thompson stated a master was published by the Division of Real Estate which was the permit to sell, then it was provided in its master form to the developer to reprint as he saw fit, then sent three of the reprints back to the Division of Real

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Estate. This is the intent of this section.

Mr. Bilbray stated he felt the language in the proposed amendment to Section 40 is too broad and should be more limited in terms of specifics. Mr. Luman stated this language appears in NRS 119 and has an idea of how the particular change would be affected and is necessary.

Senator Raggio stated this language does not appear in NRS 119. Mr. Thompson stated he wrote a good portion of the draft and was not intended to be in this, it was intended to be a disclosure act and not an over reaction to an industry which has not proven itself, it is to take care of potential abuses. The provision is extremely restrictive and could present a significant problem.

Senator Raggio stated the language as written will not work in the time-sharing industry.

Senator Hernstadt asked if there is any language which could be put in the bill to solve the problem of a developer disappearing with the money. Mr. Luman stated he had no language which could take care of this. He said the language which is proposed does not address the problem of time-shares because they are referring to existing units.

Mr. Wadhams stated part of the problem is putting specific language together to address a general problem. There is enough authority in the division to review all the financial projections in the public offering statement and monitor the activities and is the most the legislature can expect the developer to provide. By using NRS 119 language, it is not applicable to a time-share license operation where there is a wide range of activities going on in the same operation.

Senator Raggio asked Mr. Lumen why he wants to inflict the language of NRS 119 on S. B. No. 429 regarding escrow accounts when it is not being used on time-share developments now. Mr. Lumen stated because it is a different situation. Senator Raggio stated what is being requested is some regulation, some disclosure and some requirement to advise people what they are getting into and give them the opportunity to rescind if high-pressure tactics have been used. If impound or escrow accounts are going to be required, the purpose of time-sharing will be defeated. That purpose being, to allow a developer on an existing development to time-share, sell ahead and allow a purchaser to obtain a unit for assured price for a period of time.

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Mr. Lumen stated the point was not to defeat time-sharing, it was to address the question of putting funds into an account, where purchasers can be assured that taxes are being paid. Chairman Close asked how other states are handling these problems. Mr. Bilbray stated Hawaii permits, by the use of the receivables, to submit to 110% of the underlying obligations, owed against the properties which are subjected to time-share use. California has a 200% situation, they have a substantial impound requirement. Nebraska has no impound requirement that he is aware of. Florida has an impound on right-to-use projects, it has basically stopped all right-to-use developments about 50%. He had heard the Washington State bill was killed, so had no other information on that state.

Mr. Bilbray stated Florida had over-regulated and wiped out the right-to-use market and now in an amendment process to correct the situation. They did not perceive what the real financial realities were of time-share developments.

Senator Wagner asked if Section 41 is based on the same kind of arrangement found in other departments. Mr. Wadhams stated it is a little different, but a similar arrangement for savings and loans and banks is available. They appeal from that division chief to the director. Other agencies go from the division chief directly to district court. The advantage of going to district court is you receive a judicial resolution quicker, the advantage of going to the director, is it is informal administrative procedure and cheaper.

Mr. Wadhams stated in Section 43, he did not feel that trust accounts on the right-to-use is appropriate. This section gives the administrator authority to go in and inspect. He suggested a change that the administrator may issue an order directing the developer to cease in engaging in activities which the developer has not received a permit, but also add the language, or is not in compliance with that permit.

Senator Wagner asked Mr. Wadhams if he supported the proposed amendments to S. B. No. 429. Mr. Wadhams stated he supported the redraft of the bill. During the discussion, however the other proposed amendment, see Exhibit E, does not address the problem which they intended to be addressed. Giving the administrator the power he has under Section 43 is probably the better way to address the problem the amendment was trying to address. The amendment is no longer appropriate, they would ask the amendment to Section 39 to be withdrawn.

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Chairman Close stated language should be added in Section 43, that it would have to be in compliance with the permit.

Senator Wagner asked how this language would prevent problems occurring such as the Four Seasons which Ms. Vankirt had referred to in previous testimony. Mr. Wadhams stated it could not have prevented this from happening, but it gives the agency the authority to monitor the activities and respond to inquiries from persons who have purchased a right-to-use or fee. There is no law which can prevent someone from being a crook.

Chairman Close stated this whole section is based on the continuing power to sell, once selling starts and there is not a minimum number of sales to cover the obligations, then everything falls apart. Senator Hernstadt stated if all the units were sold for cash, there would be no problem, but they are sold with a down payment with so much each month. The overhead is tremendous but there is little cash flow. You have to depend on the honorability of the developer.

Chairman Close suggested an amendment be added in Section 44, subsection 2, after the word postponement, add the proposed language in Exhibit E. Mr. Dreschler stated it would be better to have a reasonable written notice posted in the United States mail, maybe ten days before the hearing.

Mr. Bilbray stated he would be leaving the country for several weeks and had a suggestion in Section 59. He said the amendment to this section came from the district attorney office in Clark County. The intent of this is to preclude local governments from discriminatorily restricting the way time-sharing projects can be located. With that in mind, he would agree to the reasonable restraints of a conditional use permit being a prerequisite to establishment of a time-share project in any residential zoned property. It is suggested it would not restrict any reasonable business license regulation which the local governments deem they need. He had no objection to the way Section 59 is drafted. Mr. Dan Fitzpatrick, Clark County, stated he was not in support of the amendment because it does not go far enough. It says you need a special use permit to locate a time-share unit in a residential location. There is currently a prohibition against time-share units in residential areas and are only permitted in the apartment areas with a special use permit. This amendment takes away from local government, the right to not allow time-share units in certain residential areas.

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Due to lack of time the meeting was adjourned until a later time for discussion of S. B. No. 429.

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted:

Shirley LaBadie
Shirley LaBadie, Secretary

APPROVED BY:

Melvin D. Close, Jr.
Senator Melvin D. Close, Chairman

DATE: April 16, 1981

SENATE AGENDA

COMMITTEE MEETINGS

Committee on JUDICIARY, Room 213.

Day Monday, Date April 13, Time 8:00 a.m.

S. B. No. 429--Regulates sale of time-share estates and time-share licenses.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON JUDICIARY

DATE: April 13, 1981

EXHIBIT B

<u>PLEASE PRINT</u> NAME	<u>PLEASE PRINT</u> ORGANIZATION & ADDRESS	<u>PLEASE PRINT</u> TELEPHONE
Bob Bickman	American Land Development Assoc	(702) 386-1133
J. Pass	Real Estate Div	885-4280
R. R. Hoy	Plaza Resort Club	786-8000
David Thompson	PLAZA RESORT CLUB	323-1069
W. R. Wells	Plaza Resort Club	" "
DAVID COOK	TOURER CORP.	731-1779
Bob Sullivan	Gerson River Basin COG	885-4680
John James	Real Estate Division	885 4280
David W. Lyle	UNLU POS DEPT	737-5345
	NV...	786-277
	Swaps...	526-563

SENATE BILL NO. 429—

March 18, 1981

EXHIBIT C

Referred to Committee on Judiciary

SUMMARY—Regulates sale of time-share estates and time-share licenses. (BDR 10-495)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

Explanation—Matter underlined is new; matter in brackets [] is material to be omitted.

AN ACT relating to property; providing for regulation of the sale of time-share estates and licenses; providing for the rights of developers and purchasers; providing penalties; 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. Title 10 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to [68] 70, inclusive, of this act.

✓ Sec. 2. As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to [26] 27, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 3. "Administrator" means the real estate administrator.

✓ Sec. 4. "Developer" means any person who offers to dispose of or disposes of his interest in a time share not previously disposed of.

Sec. 5. "Director" means the director of the department of commerce.

Sec. 6. "Division" means the real estate division of the department of commerce.

Sec. 7. "Hearing officer" means a member of the staff of the department of commerce whom the administrator has appointed as a hearing officer.

Sec. 8. "Independent parcel" means a parcel of real property which is not part of any project.

Sec. 9. "Manager" means any person, other than all time-share owners or the association, designated in or employed pursuant to the time-share instrument or project instrument to manage the property in which time shares have been created.

Sec. 10. "Offering" means any advertisement, inducement, solicitation, or attempt to encourage any person to acquire a time share, other than as security for an obligation. An advertisement in a newspaper or other periodical of general circulation, or in any broadcast medium to the general public, of a time share in property not located in this state, is not an offering if the advertisement states that an offering may be made only in compliance with the law of the jurisdiction in which the property is located.

Sec. 11. "Person" means a natural person, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership, association, joint venture or other legal or commercial entity.

Sec. 12. "Project" means real property, subject to a project instrument, containing more than one unit. A project may include units that are not time-share units.

✓ Sec. 13. "Project instrument" means one or more [recordable] documents, by whatever name denominated, applying to the whole of a project and containing restrictions or covenants regulating the use, occupancy or disposition of units in a project, including any amendments to the document but excluding any law, ordinance or governmental regulation.

✓ Sec. 14. "Purchaser" means any person, other than a developer or lender, who purchases a time share. [who by means of a voluntary transfer acquires an interest in a time share other than as security for an obligation.]

✓
Sec. 15. "Public Offering Statement" means the permit to offer to sell, and sell, as required by Section 38.

Sec. 16. "Sale" includes a lease, assignment or other transaction designed to convey an interest in a time share other than as security for an obligation.

✓
Sec. 17. "Sales representative" means a person who, on behalf of a developer, sells or offers to sell a time share to a purchaser.

Sec. 18. "Time share" means a time-share estate or a time-share license.

Sec. 19. "Time-share estate" means a right to occupy a unit or independent parcel or any of several units or independent parcels during 5 or more separated time periods over a period of at least 5 years, including renewal options, coupled with a freehold estate or an estate for years in a time-share property or a specified portion thereof.

Sec. 20. "Time-share expenses" means expenditures, fees, charges or liabilities:

1. Incurred with respect to the time shares by or on behalf of all time-share owners in one time-share property; and

2. Imposed on the time-share units by the entity governing a project of which the time-share property is a part, together with any allocations to reserves, but excluding purchase money payable for time shares.

Sec. 21. "Time-share instrument" means one or more documents, by whatever name denominated, creating or regulating time shares.

✓
Sec. 22. "Time-share license" means a right to occupy a unit or independent parcel or any of several units or independent parcels during [five] 5 or more separated time periods over a period of [more than 3] at least 5 years, including renewal options, not coupled with a freehold estate or an estate for years.

✓
Sec. 23. "Time-share owner" means a person who is an owner or co-owner of a time share other than as security for an obligation.

Sec. 24. "Time-share parcel" means any independent parcel in which time shares exist.

Sec. 25. "Time-share property" means one or more units or independent parcels subject to the same time-share instrument, together with any other real estate or rights therein appurtenant to those units.

Sec. 26. "Time-share unit" means a unit in which time shares exist.

Sec. 27. "Unit" means that portion of a project which is designated for separate use.

✓ Sec. 28. Except as otherwise provided in subsection 28.4
1. This chapter applies to all time shares created in units and independent parcels within this state:

(a) On or after July 1, 1981; and

(b) Before July 1, 1981, with respect to events and circumstances which occur on or after July 1, 1981.

2. Nothing in this chapter affects the validity of, or rights and obligations created by, provisions of any time-share instrument, document transferring an estate or interest in real property, or contract which existed on July 1, 1981.

3. The time-share instrument of any time-share property created before July 1, 1981, may be amended to accomplish any result permitted by this chapter if the amendment is adopted in conformity with the applicable law and with the procedures and requirements specified by the instrument. If the amendment grants to any person the rights permitted by this chapter, all correlative obligations, liabilities and restrictions of this chapter also apply to that person.

✓ 4. [This chapter does not apply to time shares in property located outside this state.] Any project for which a Public Offering Statement has been applied and received, prior to the effective date of this chapter, under the provisions of Chapter 119 of N.R.S., does not require registration under this chapter; but, by January 1, 1982, the developer must submit to the division a written addendum to the Public Offering Statement detailing arrangements for management and operation pursuant to section 63 of this chapter, upon which time the division will re-issue a Public Offering Statement under the provisions of, and subject to the jurisdiction of, this chapter. The fee for the addendum shall be \$250.00.

Sec. 29. Except as provided in this chapter, provisions of this chapter may not be varied by agreement. Rights conferred by this chapter may not be waived. A developer may not act under a power of attorney or use any other device to evade the limitations or prohibitions of this chapter or of any time-share instrument.

Sec. 30. 1. The division may adopt regulations necessary for the carrying out and enforcement of the provisions of this chapter.

2. The division may adopt regulations exempting any project from the provisions of this chapter if it finds that enforcement of those provisions with respect to the project is not necessary in the public interest and for the protection of time-share owners and prospective purchasers.

Sec. 31. The division may employ legal counsel, investigators and other professional consultants necessary to the discharge of its duties under this chapter.

Sec. 32. For any proceeding held pursuant to a provision of this chapter, the administrator may appoint a hearing officer from the staff of the department who shall act as his agent and conduct any hearing or investigation which may be conducted by the administrator pursuant to this chapter.

Sec. 33. The administrator or his hearing officer may:

1. Take testimony and other evidence concerning all matters within the jurisdiction of the division pursuant to this chapter;
2. Administer oaths;
3. Certify to all official acts;
4. For cause, issue subpoenas for the attendance of witnesses and the production of books and papers.

Sec. 34. 1. Process issued by the administrator extends to all parts of the state and may be served by any person authorized to serve process of courts of record.

2. A person who serves any process is entitled to receive compensation allowed by the administrator. This compensation may not exceed the fees allowed to a sheriff for similar service.

3. Each witness who appears by order of the administrator is entitled to receive for his attendance the same fees and mileage allowed by law to a witness in civil cases, which amount must be paid by the party at whose request the witness was subpoenaed.

Sec. 35. 1. The district court in the county in which a hearing is to be held may compel the attendance of witnesses, the giving of testimony and the production of books and papers as requested by any subpoena issued by the administrator.

2. If a witness refuses to attend, testify or produce any papers required by a subpoena, the administrator may report to the district court in the county in which the hearing is pending by petition, setting forth that:

(a) Due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) The witness has been subpoenaed in the manner prescribed in this chapter;

(c) The witness has failed and refused to attend or produce the papers required by subpoena before the administrator in the cause or proceeding named in the subpoena or has refused to answer questions propounded to him in the course of the hearing, and asking an order of the court compelling the witness to attend and testify or produce the books or papers before the administrator.

3. The court, upon petition of the administrator, may enter an order directing the witness to appear before the court at a time and place to be fixed by the court in the order. The time fixed must not be more than 10 days after the date of the order. The order must command the respondent to show cause why he has not attended, testified or produced the books or papers before the administrator. A certified copy of the order must be served upon the witness. If it appears to the court that the subpoena was regularly issued by the administrator, the court may enter an order that the witness appear before the administrator at the time and place fixed in the order and testify or produce the required books or papers. If the witness fails or refuses to obey the order, the witness may be held in contempt of court.

Sec. 36. 1. The administrator may, in any hearing before him, cause the depositions of witnesses to be taken in the manner prescribed by the Nevada

Rules of Civil Procedure for like depositions in civil actions in a district court of this state and, to that end, may compel the attendance of witnesses and the production of books and papers.

2. The clerk of the district court in the county in which any hearing is held shall, upon the application of the administrator, issue commissions or letters rogatory to other states for the taking of evidence therein for use in any proceedings before the administrator.

3. Any party to any hearing before the administrator may compel the attendance of witnesses in his behalf at the hearing, or upon deposition, upon making request for a subpoena to the administrator and designating the name and address of the person or persons sought to be compelled to attend and testify.

✓
4. The administrator shall classify as confidential certain records and information obtained by the division when such matters re trade secrets, including, but not limited to, lists of prospective purchasers and lists of purchasers with whom a sale has been consummated. This power is subject to the limitations and protective measures of NRS 49.325.

Sec. 37. All money received by the division pursuant to this chapter must be deposited in the state general fund. Money for the support of the division in the carrying out of its duties pursuant to this chapter must be provided by direct legislative appropriation and be paid out as other claims against the state are paid.

Sec. 38. Any developer proposing to offer or sell in this state time shares in a project or independent parcel which is intended to have more than 12 time shares shall submit to the division an application in writing which contains:

1. The name and address of each person who owns or controls an interest of 10 percent or more in the project.

2. The name, principal occupation and address of each officer, director, partner, owner, associate or trustee of the developer.

3. The legal description of the property involved in the project.

4. A statement of the condition of title to the project, particularly including all blanket encumbrances thereon, together with payment terms and any

incidents of acceleration of the encumbrances. For the purposes of this subsection, "blanket encumbrance" means a deed of trust, mortgage, judgment, option to purchase, contract to sell, lien, security agreement, financing statement or a trust agreement affecting real or personal property comprising more than one interest within a project. The term does not include any lien or other encumbrance arising as the result of any tax.

5. A statement of the terms and conditions on which it is intended to dispose of the time shares, together with copies of the instruments which will be delivered to a purchaser to evidence his interest in the project and of the contracts and other agreements which a purchaser will be required to agree to or sign.

6. A statement of the provisions, if any, that have been made for public utilities in the proposed project, including water, electricity, gas, telephone and sewerage facilities.

7. A statement of the use or uses for which the proposed project will be offered.

8. A statement of the provisions, if any, limiting the use or occupancy of the units in the project.

9. A general description of the units, including the developer's schedule of commencement and completion of all buildings, units and amenities or, if completed, a statement that they have been completed.

10. As to all units offered by the developer in the project:

- (a) The types and number of units;
- (b) Identification of units in which time shares have been created; and
- (c) The estimated number of units in which time shares may be created.

11. A statement or reasonable estimate, if applicable, of the amount of indebtedness which has been or is proposed to be incurred by an existing or proposed special district, taxing area or assessment district within the boundaries of which the project, or any part thereof, is located, which is to pay for the construction or installation of any improvement or to furnish

community or recreational facilities to the project, and which is to be obtained by ad valorem tax, by assessment or by a special assessment or tax upon the project or any part thereof.

12. If applicable, any current budget and a projected budget for the time shares for 1 year after the date of the first sale to a purchaser. The budget must include at least:

(a) A statement of the amount or a statement that there is no amount included in the budget as a reserve for repairs and replacement;

✓ (b) The projected liability for time-share expenses, if any, by category of expenditures for each time share;

(c) The projected liability for time-share expenses for all time shares; and

(d) A statement of any services not reflected in the budget which the developer provides or expenses that it pays, and whether the developer has provided financial assurances.

13. Any initial or special fee due from the purchaser at time of sale, together with a description of the purpose and method of calculating the fee.

14. A description of any financing offered by the developer.

15. A statement of any pending suits material to the project or the developer of which the developer has knowledge.

16. Any restraints on alienation of any number or portion of any time shares.

17. A description of the insurance coverage or a statement that there is no insurance coverage provided for the benefit of time-share owners.

18. Any current or expected fees or charges to be paid by time-share owners for the use of any facilities related to the project.

19. The extent to which financial arrangements have been provided for the completion of all promised improvements, if such arrangements have been made.

20. Such other information as the developer may desire to present.

21. A completed application for a public offering statement in such form and containing such additional information as the division may require.

22. Any governmental restriction which would prohibit reconstruction of the project in the event of condemnation or destruction which would limit the size or character of the project.

23. The fees prescribed by this chapter.

Sec. 39. 1. The division shall, before issuing any public offering statement under this chapter to any developer, fully investigate all information placed before it as may be required pursuant to this chapter and, if in the judgment of the division it is necessary, shall inspect the property which is the subject of the application. All reasonable expenses incurred by the division in carrying out such an investigation or inspection must be paid by the applicant, and no [license] permit may be issued until these expenses have been fully paid.

2. Payments received by the division pursuant to this section must be deposited in an investigative account. The administrator shall use this account to pay the reasonable expenses of agents and employees of the division in making the investigation, inspections or reinspections under this section for which the payments were received. The administrator may advance money for such expenses when appropriate.

3. Each expenditure from the investigative account must be audited, allowed and paid as other claims against the state are paid.

Sec. 40. 1. The administrator shall make an examination of the application and shall, unless there are grounds for denial, issue to the developer a public offering statement authorizing the sale or lease or the offer for sale or lease in this state of time shares in the project. The public offering statement must contain the data obtained in accordance with section [37] 38 of this act and other information which the administrator determines is necessary to carry out the purposes of this chapter. The administrator may publish the public offering statement.

2. The administrator may deny a statement if he finds that:

(a) The developer has failed to comply with any of the provisions of this chapter.

(b) The sale of the estates or licenses would constitute misrepresentation, deceit or fraud.

(c) The developer is unable to deliver the title or other interest contracted for.

(d) The developer has failed to show that the time shares can be used for the purpose for which they are offered.

(e) The developer has failed to provide in the contract or other writing the use or uses for which the time shares are offered, together with any covenants or conditions relative to them.

(f) Provisions for management or other services pertaining to common facilities in the offering are unsatisfactory.

Sec. 41. 1. If the administrator finds that grounds for denial exist, he shall issue an order so stating to the developer not later than 30 days after he received the application.

2. If the administrator issues an order of denial, the developer may appeal to the director who shall, within 5 days after receiving the appeal, determine whether grounds for denial exist. If the director finds that grounds for denial exist, he shall confirm the denial.

3. If the director confirms the denial, the developer may request a hearing. The director shall appoint a hearing officer who shall conduct a hearing within 30 days after the director received the appeal and either confirm the denial or order a public offering statement issued.

Sec. 42. If it appears to the administrator that an application or any amendment thereto is on its face incomplete or inaccurate in any material respect, the administrator shall so advise the developer within 30 days after the filing of the application or the amendment. Notification suspends the effective date of the application or the amendment until 30 days after the developer files the additional information which the administrator requires.

✓ Any developer(,) who receives a notice pursuant to this section may request a

hearing, and the hearing must be held within 20 days after the request is received by the administrator.

✓ Sec. 43. 1. The administrator may issue an order directing a developer to cease engaging in activities for which the developer [is not licensed] has not received a permit under this chapter.

✓ 2. No (unlicensed) developer who has not received a permit and who has violated any of the provisions of this chapter may engage in any activity regulated by this chapter after receiving an order in writing from the administrator directing him to cease doing so and stating that, in the opinion of the administrator, the activity has not been licensed.

✓ 3. Within 30 days after receiving such an order, a person may file a verified petition with the administrator for a hearing, alleging that the order precludes him from engaging in a substantial portion of his business (as a licensee) under this chapter.

4. The administrator shall, within 10 days after receiving the petition, bring an action in a district court of the State of Nevada in the county in which the activity is occurring to enjoin the person from continuing that activity pending the completion of hearings as prescribed by this chapter. The administrator's order to cease must be rescinded upon the entering of a decision by the court or 10 days after the administrator receives the petition unless the administrator brings an action within that time.

Sec. 44. 1. Within 30 days after receiving an order directing him to cease an activity, a developer may file a verified petition with the administrator for a hearing before the administrator. The petition does not require an allegation that the administrator's order precludes the developer from engaging in a substantial portion of a business as a licensee under this chapter.

2. The administrator shall hold a hearing within 30 days after the petition has been filed, unless the party requesting the hearing requests postponement.

3. If, after a request for a hearing, the administrator does not hold a hearing within 30 days or does not render a decision within 45 days after submission of the matter, the order expires.

Sec. 45. 1. Whenever the administrator believes that a person has violated any order, regulation, license, permit, decision, demand or requirement, or any of the provisions of this chapter, he may bring an action in the district court in the county in which the person resides or maintains his principal place of business or, if the person resides outside the state, in any court of competent jurisdiction within or outside the state, against the person to enjoin him from continuing the violation.

2. The administrator may intervene in any action involving a project or a time share if intervention is necessary in the public interest and for the protection of purchasers.

Sec. 46. If the time-share owners are to be permitted or required to participate in any program for the exchange of occupancy rights among themselves or with the owners of time shares in other projects, or both, the public offering statement or a supplement delivered with the statement must fully and accurately disclose information about the program including, but not limited to, the terms, conditions and costs.

Sec. 47. 1. Any purchase of a time share is voidable by either party thereto without penalty for 3 days after the date of purchase or the day on which the purchaser receives the public offering statement, whichever is later.

2. If either party elects to cancel a contract pursuant to this section, he may do so by delivering notice thereof to the other party in person or by mailing notice by prepaid United States mail to the other party.

3. The developer shall immediately return all payments which he has received, and the purchaser shall return all materials which he has received in good condition, reasonable wear and tear excepted. If the materials are not returned in good condition, reasonable wear and tear excepted, the developer may deduct the reasonable cost of the materials or the cost of repairing them, whichever is less, and return the balance to the purchaser.

Sec. 48. 1. Any project for which a public offering statement has been applied for and received does not require registration under chapter 90 or chapter 119 of NRS or any other state law which requires the preparation of a public offering statement or substantially similar document for distribution to purchasers.

2. A time share is not a security for the purposes of chapter 90 of NRS solely because the price at which the owner may sell or exchange the time share is not restricted by the time-share instrument.

Sec. 49. A public offering statement need not be delivered to a purchaser in the case of:

1. Any transfer of a time share by any time-share owner other than the developer;
2. Any disposition pursuant to court order;
3. Disposition by a government or an agency of government;
4. A foreclosure or deed in lieu of foreclosure;
5. Disposition of a time share in a project situated wholly outside this state, if all solicitations, negotiations and contracts took place outside this state and the contract was executed outside this state;
6. A gratuitous transfer of a time share;
7. Group reservations made for 15 or more people as a single transaction between a hotel and travel agent or travel groups for hotel accommodations, where deposits are made and held for more than 3 years in advance.

Sec. 50. The developer shall request the administrator to amend or supplement the public offering statement within 15 days after any material change in the information required by section [37] 38 of this act.

Sec. 51. The public offering statement required to be provided to a purchaser by this chapter must be delivered to and reviewed with each purchaser by the developer or sales representative before or at the time of sale of any 1 time share. The developer shall obtain from the purchaser a signed receipt for the public offering statement and keep the receipt and copies of all documents relating to the purchase on file for at least 3 years after the date of sale. These records are subject to inspection by the division.

Sec. 52. No officer or employee of the division or any association, firm or corporation with which an officer or employee is associated may act as a sales representative of a project.

Sec. 53. The developer is responsible for the acts of each sales representative and any other person whom he employs or engages to represent him if the acts are performed within the scope of the employment or engagement.

Sec. 54. A developer may not:

1. Refer to the division or to any officer or employee thereof in offering or selling a time share; or

2. Make any representation that the time-share property, unit or independent parcel has been inspected, approved or otherwise passed upon by the division or any other official, department or employee of the state.

Sec. 55. The owner, publisher, licensee or operator of any newspaper, magazine, television or radio broadcasting station or network of stations or the agents or employees of any such owner, publisher, licensee or operator of such a newspaper, magazine, station or network of stations are not liable under this chapter for any advertising of any time share carried in the newspaper, magazine or by the television or radio broadcasting station or network of stations, nor are any of them liable under this chapter for the contents of any advertisement.

Sec. 56. 1. Except as expressly modified by this chapter, a time-share estate:

(a) Which confers possession during a potentially infinite number of separated periods of time is an estate in fee simple and has the character and incidents of an estate in fee simple at common law.

(b) Which confers possession during 5 or more separate periods of time over a finite number of years which equals 5 or more, including options to renew, is an estate for a term of years and has the character and incidents of an estate for a term of years at common law.

2. Each time-share estate constitutes for all purposes a separate estate in real property.

Sec. 57. 1. Each time-share [estate] project must be [separately] assessed [and taxed] as one property.

2. Notices of assessments and bills for taxes must be furnished to the [manager of the time-share property, if any, or otherwise to each owner of a

time share] resident agent or management agent for the association of time share owners. [A manager is not] The association of time share owners shall be liable for the taxes on a time-share estate project.

3. The aggregate assessed valuation of the time-share estates in a time-share property must not exceed the valuation of a physically similar property not divided into time shares, and the assessed valuation of a property must not be increased because it is used for time-share licenses.

Sec. 58. A document which transfers or encumbers a time-share estate may not be rejected for recording because of the nature or duration of that estate.

Sec. 59. A building code or a zoning, subdivision or other ordinance or regulation may not prohibit the creation of time shares or impose any requirement upon a time-share property which it would not impose upon a similar development under a different form of ownership[.]; except that the foregoing provisions shall not prohibit local governments from enacting business license regulations regarding time shares or from requiring that time share projects obtain a conditional use permit from the appropriate zoning authorities prior to locating time share projects in a district that is primarily zoned for residential use.

Sec. 60. 1. A time-share license:

(a) Is a contractual right to occupy premises described in the license at times stated. The contractual right ceases to be effective if the property in which the license otherwise confers a right is sold upon foreclosure of a mortgage or pursuant to a power of sale created by a deed of trust.

(b) Is not a recordable interest. A county recorder may not index a time-share license in a real estate index or with deeds and other conveyances unless the recorder maintains only one series of books constituting his official records.

(c) Does not create a lien or security interest in the property in which the license confers a right, and is not entitled to any priority in any foreclosure, bankruptcy or other proceeding involving the property.

2. Each sales representative or other person who offers to sell a time-share license shall disclose the provisions of subsection 1 in:

- (a) The offering;
- (b) Each instrument which creates a time-share license; and
- (c) As required by regulations adopted by the division.

Sec. 61. Time shares may be created in any unit unless expressly prohibited by the project instruments.

Sec. 62. A time-share instrument which creates more than 12 time shares in a time-share property must contain or provide for:

1. A legally sufficient description of the time-share property and the name or other identification of the project, if any, within which it is situated;

2. The name of the county or counties in which the time-share property is situated;

3. Identification of time periods by letter, name, number or a combination of letters, names and numbers;

4. The liability for time-share expenses and any voting rights assigned to each time share, and, where applicable, to each unit in which time shares are not created;

5. If additional units or independent parcels may become part of the time-share property, the method of making them a part of the property and the formula for allocation and reallocation of the liabilities for time-share expenses and of voting rights;

6. Any restrictions on the use, occupancy or alteration of units or the alienation of time shares;

7. The ownership interest, if any, in personal property and provisions for care and replacement;

8. In the case of time-share licenses, the period for which the units affected are committed to those licenses and exactly what occurs in relation to those units at the end of the period, if the period is not potentially infinite; and

9. Any requirements for amendments of the time-share instrument. The time-share instrument may provide for any other matters the developer deems

appropriate.

Sec. 63. A time-share instrument must prescribe in detail reasonable arrangements for the management and operation of the time-share property and for the maintenance, repair and furnishing of units, which may include but need not be limited to provisions for the following:

1. Creation of an association of time-share owners, if such an association is to exist.
2. Adoption of bylaws for organizing and operating the association, if such an association is to exist.
3. Payment of costs and expenses of operating the time-share property and maintaining the units.
4. Employment and termination of employment of the managing agent, if one is employed.
5. Preparation and dissemination to the time-share owners of an annual budget and of operating statements and other financial information concerning the time-share property.
6. Adoption of standards and rules of conduct for the use and occupancy of units by the time-share owners.
7. Collection of assessments from owners to defray the expenses of management of the time-share property, maintenance of the units and reserves for replacement of items that become lost or unusable.
8. Comprehensive general liability insurance for death, bodily injury and property damage arising out of or in connection with the use of units by time-share owners, their guests and other users.
9. Methods, if any, for providing compensating periods of use or monetary compensation to time-share owners if a unit cannot be made available for the period to which the owner is entitled by schedule or by confirmed reservation.
10. Procedures for imposing a monetary penalty or suspension of time-share owner's rights and privileges in the time-share property for failure of that owner to comply with provisions of the time-share instruments or the rules of the association with respect to the use of the units.

11. Employment of attorneys, accountants and other professional persons, as necessary, to assist in the management of the time-share property.

Sec. 64. 1. A time-share instrument may provide for a period during which the developer or a managing agent selected by the developer may manage the time-share property.

2. If the time-share instrument provides for such a period, it may include provisions for:

(a) Termination of that period by action of the association.

(b) Termination of contracts for goods and services for the time-share property or for units within it which were entered into during that period if such contracts were made.

(c) A regular accounting by the developer of the association, if any, as to all matters that affect the time-share property.

Sec. 65. No judicial action for partition of a unit may be undertaken except as may be permitted by the time-share instrument.

Sec. 66. If a lien other than a deed of trust or mortgage becomes effective against more than one time-share estate, any time-share owner is entitled to a release of his time-share estate from the lien upon payment of his proportionate liability for the lien in accordance with liability for time-share expense unless he or his predecessor in title agreed otherwise with the lienor. After payment, the managing entity may not assess or have a lien against that time-share estate for any portion of the time-share expenses incurred in connection with that lien.

Sec. 67. The division shall collect the following fees[.]:

1. For each application for a public offering statement, \$250.
2. For each time share in the project to which an application applies in excess of 50, \$5.
3. For each application for an amendment to a public offering statement, \$250.

The division may not collect more than \$1,500 for time shares pursuant to subsection 2 for any one application.

Sec. 68. 1. Where any part of the application, when that part became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein, any person who purchases a time share covered by the application from the developer during the time that the application remained uncorrected may recover his damages from the developer in any court of competent jurisdiction unless he knew of the untruth or omission.

2. Any developer or sales representative who sells a time share in violation of this chapter or by means of a public offering statement which contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein[,] is liable to the purchaser of the time share for his damages.

3. The amount recoverable under this section may not exceed the sum of the purchase price of the time share and reasonable appraiser's costs, court costs and attorney's fees.

Sec. 69. 1. Except as provided in subsection 2, any person[,] who violates a provision of this chapter is guilty of a gross misdemeanor[,] and, if a partnership, association or corporation, shall be punished by a fine of not more than \$10,000 for each offense.

2. Any person who:

(a) Sells or attempts to sell in this state any time share by means of intentional misrepresentation, deceit or fraud; or

(b) Obtains or attempts to obtain a public offering statement from the division by means of intentional misrepresentation, deceit or fraud[,] is guilty of a gross misdemeanor.

3. Any officer or agent of a corporation or member or agent of a partnership or association, who personally participates in or is accessory to any violation of this chapter by the partnership, association or corporation is guilty of a gross misdemeanor.

Sec. 70. If any provisions of this chapter, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect

other provisions or applications of this chapter which can be given effect
without the invalid provisions or application, and, to this end, the provisions
of this chapter are severable.

Plaza

RESORT CLUB

EXHIBIT D

April 1, 1981

The Committee on Judiciary

RE: S.B. #429 - Proposed
Nevada Time Share Act

The following comments regarding the proposed Act are respectfully submitted for your consideration:

1. Section 4 has a typographical error. The word "previous" should be "previously."
2. Section 8 defines "independent parcel." The need for this definition and the intent of the subsequent references thereto are unclear.
3. Section 10 defines "offering." The definition eliminates Nevada jurisdiction over the offering of all out-of-state time share projects. Some out-of-state time share projects are not governed at the present time by regulations in their jurisdictions. Many time share projects are offered and marketed in the state of Nevada and located elsewhere. This definition should include all time share projects offered in the state of Nevada no matter where located.
4. The proposed Act contains numerous references to "license," "Public Offering Statement," and "time-share license." In order to avoid confusion and ambiguity, a new definition of "Public Offering Statement" should be added to define same as a "permit to sell issued by the Division" and the reference to "license" contained in Sections 38.1, 39.1, 42.1, 42.2, 42.3 and 44.1 should be conformed to this new definition by being changed to "Public Offering Statement."
5. Section 27.1 indicates this Chapter will apply only to time shares "within this state." It should be all inclusive of time shares offered in this state when the definition of "offering" is changed.

6. Section 27.4 states: "This Chapter does not apply to time shares in property located outside this state." As previously noted, this Chapter should apply to all time shares that may be offered in Nevada.
7. Section 29.2 allows the Division to adopt regulations exempting any project from the provisions of this Chapter. The Division may fail to adopt a regulation to exempt an existing time share project that has been previously registered with the Division of Real Estate under NRS 119, which Chapter already requires considerably more information than Section 37 of this proposed Act with respect to time share estate offerings. A provision must be included in this Act for an existing registration under Chapter 119 of NRS to be automatically accepted as a registration under this Act. Such a provision will avoid any unnecessary and burdensome duplication of registration procedures.
8. Section 37 provides the Division of Real Estate with jurisdiction over all time shares to be offered "in this state." As I have mentioned above in several instances, the legislative intent should be to regulate all time share offerings whether located within this state or offered within this state. As presently written, a time share project located in Nevada could conceivably, be exclusively marketed outside this state and not be required to comply with this proposed Act; or an out-of-state time share project could offer their time shares for sale in Nevada without complying with this proposed Act.
9. Section 37.10 (c) requires an estimate of the number of units in which time shares may be created but fails to require the developer to disclose the maximum number of time shares which may be created and sold.
10. Section 45, which deals with independent exchange organizations, requires a disclosure of the costs involved in exchanging with independent exchange organizations. These organizations may, without the consent or approval of the developer, vary their costs from time to time. To require the exact costs in the Public Offering Statement would be impractical because an independent exchange organization may change its annual dues or other costs and even if such a change was minor and amounted to only \$1.00 or \$2.00, the Public Offering Statement would have to be immediately amended pursuant to Section 49 of this proposed Act.
11. As set forth in Paragraph 9 above, either Section 29.2 or Section 47.1 must be amended to allow a developer of a time share project registered under Chapter 119 of NRS to be automatically registered under this proposed Act.

12. Section 56.1 specifically requires a county assessor to individually assess each time share estate. This would be an extremely expensive, burdensome and unnecessary task placed upon the tax assessor. In all time share projects known to exist to date, there is an association or manager responsible for payment of such items as taxes. Under a recent attorney general's opinion, the various tax assessors are permitted to issue one tax bill on an entire time share project to the association or manager.
13. Section 63.1, as written, is permissive to the point of allowing the developer to perpetually control the management of a time share project. I suggest that some provision be made for the time share association, if any, or a majority of time share owners to terminate management for cause.

Sincerely,

PLAZA RESORT CLUB, INC.


*David E. Thompson
Vice President

DET:sj

*NOTE: David E. Thompson was formerly the Subdivision Reviewer for the Nevada Division of Real Estate.

Senate Bill 429 - Proposed Amendments:

EXHIBIT E

- Page 2, between lines 18 and 19, add: "Public offering statement" means that report issued by the division pursuant to section 39 of this chapter.
- Page 3, line 10, section 27, add after the word "state" , any other state, or foreign country:
- Page 3, lines 25 and 26, section 27 - Delete this paragraph in its entirety.
- Page 7, between lines 33 and 34, section 39, add: (g) The developer has failed to demonstrate, to the satisfaction of the administrator, that adequate financial arrangements have been made for the protection of the public.
- Page 8, line 33, section 43, after the word "postponement" add: The request for postponement must be in writing and received by the division no less than 5 days prior to the scheduled date of the hearing.
- Page 8, line 36, section 43, after the word "expires" add: , except in the event of postponement as set forth in subsection 2 of section 43.
- Page 9, line 46, section 50, delete the numeral "1".
- Page 10, line 24, section 55, after the word "estate" add: is one:.
- Page 10, lines 47 through 50, section 58, delete this section in its entirety.
- Page 11, line 19, section 60, after the word "instruments" add: or by local zoning ordinances.
- Page 11, lines 42 and 43, section 61, delete "if the period is not potentially infinite;"
- Page 13, lines 9 and 10, section 66, delete this sentence in its entirety.