

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.



To: Committee on Commerce and Labor
From: Scott Brenneke, CPM®, Broker
Date: March 11, 2003
Re: SB.139 amendment

Please favorably consider this amendment to NRS 645.006 to consider Property Management Agreements separately from Brokerage Agreements.

When a broker accepts the responsibilities as a property manager we enter into a long term relationship with the owner and there is no pre determined finite date that the duties will end until the owner terminates the agreement for services. This is different from a brokerage agreement for a sale that has a predetermined end when the property sale closes or the property has no pending offer after a predetermined length of time.

Many people who do not manage property do not understand the complexities of this concept so I will explain by example. A plausible situation is when a renter is being evicted and the eviction process extends past the finite date of an original management agreement that has not been formally cancelled or extended. Can the manager legally represent the owner at a hearing or take possession of the property from the Sheriff at the lockout? The answer to both of these is no. If the required actions on the part of the property manager do not proceed the owner will suffer. I could give other examples, but this is not an unusual situation. Other situations could easily be shown where repairs must be completed, but a finite termination date could delay the work being completed and thus harm coming to the renter and/or the owner.

In short many activities must continue past an original contract period to preserve the property and the interests of both the owner and tenant. Having to remember to formally extend management agreements when they expire is a very time consuming, costly and difficult process. The costs of which have to be passed along to the owner. Most owners expect that the property management services will continue until they terminate them and are comfortable with this situation.

The only reason that there was no provision for making management agreements separate from brokerage agreements was that the concept of there being a difference was not considered when the wording was originally expanded to include property management activities. This concept was later included in the legislation adopted last session for time-share properties. It is specifically written that management agreements for time-share properties can roll-over for unspecified times.

I ask that you adopt this amended wording into SB 139

EXHIBIT G Senate Committee on Commerce/Labor
Date: 03-13-03 Page 1 of 1