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**SB 428**

**Proposed Amendment**

**Nevada Association of REALTORS**

**(775) 829-5911, contact Melody Luetkehans, Esq.**

**p. 3, section 5**

**Sec. 5. 1. The Division may investigate and audit any *all business related financial***

3-7 accounts of a real estate broker regardless of whether it is a trust  
3-8 account, if the Division has reasonable cause to believe that the  
3-9 broker is using or has used the account to operate or carry on the  
3-10 broker's business ~~or to deposit money derived from the broker's~~  
3-11 ~~business~~ and the Division:

3-12 ~~(a) Has reasonable cause to believe or has received a credible~~  
3-13 ~~complaint that the real estate broker has commingled the money of~~  
3-14 ~~a client with the money of the real estate broker;~~

3-15 ~~(b)~~ (a) Has reasonable cause to believe or has received a credible  
3-16 complaint that the real estate broker is insolvent or is in any  
3-17 financial condition or has engaged in any financial practice which  
3-18 creates a substantial risk of insolvency; or

3-19 ~~(c)~~ (b) Determines that the investigation and audit is reasonably  
3-20 necessary to assist the Division in administering or enforcing any  
3-21 other provision of this chapter or any other statute that the  
3-22 Division is charged with administering or enforcing.

3-23 2. The Commission shall adopt regulations prescribing the  
3-24 scope of an audit conducted pursuant to this section.

3-25 3. The Commission may take action pursuant to NRS 645.630  
3-26 against:

3-27 (a) Any real estate broker or other licensee who knowingly  
3-28 fails to cooperate or comply with or knowingly impedes or  
3-29 interferes with any investigation or audit conducted by the  
3-30 Division pursuant to this section; or

3-31 (b) Any real estate broker who is insolvent or who is in any

3-32 financial condition or has engaged in any financial practice which  
3-33 creates a substantial risk of insolvency.

3-34 4. As used in this section, "insolvent" or "insolvency" means  
3-35 a condition in which a real estate broker is unable to meet the  
3-36 liabilities of the broker's business as those liabilities become due  
3-37 in the regular course of the broker's business *and which insolvency  
creates a substantial risk of harm the consumer or public.*

30 **Sec. 11.** NRS 645.330 is hereby amended to read as follows:

5-31 645.330 1. Except as otherwise provided by specific statute,  
5-32 the Division may approve an application for a license for a person  
5-33 who meets all the following requirements:

5-34 (a) Has a good reputation for honesty, trustworthiness and  
5-35 integrity and who offers proof of those qualifications satisfactory to  
5-36 the Division.

5-37 (b) Has not made a false statement of material fact on his  
5-38 application.

5-39 (c) Is competent to transact the business of a real estate broker,  
5-40 broker-salesman or salesman in a manner which will safeguard the  
5-41 interests of the public.

5-42 (d) Has submitted the statement required pursuant to NRS  
5-43 645.358 if the person is a natural person.

5-44 (e) Has passed the examination.

5-45 2. The Division:

6-1 (a) May deny a license to any person who has been convicted of  
6-2 ~~[,]~~ or *has* entered a plea of guilty~~[, guilty but mentally ill]~~ or nolo  
6-3 contendere to~~[, forgery, embezzlement, obtaining money under~~  
6-4 ~~false pretenses, larceny, extortion, conspiracy to defraud, engaging~~  
6-5 ~~in a real estate business without a license, possessing for the purpose~~  
6-6 ~~of sale any controlled substance or]~~ any crime ~~[involving moral~~  
6-7 ~~turpitude,]~~ in any court of competent jurisdiction in the United  
6-8 States or elsewhere~~[, and]~~ *if the crime:*

6-9 (1) *Was committed in this state and was classified as a*  
6-10 ~~gross misdemeanor or felony when it was committed; or~~

6-11 (2) *Was committed in another jurisdiction in the United*  
6-12 *States or elsewhere and was classified as a ~~gross misdemeanor or~~*  
6-13 *felony in the other jurisdiction when it was committed or, in the*  
6-14 *absence of a comparable classification in the other jurisdiction,*  
6-15 *would have been substantially equivalent to a ~~gross misdemeanor~~*  
6-16 *~~or~~ felony committed in this state.*

6-17 (b) Shall not issue a license to such a person until at least 3 years  
6-18 after:

6-19 (1) The person pays any fine or restitution ordered by the  
6-20 court; or

6-21 (2) The expiration of the period of the person's parole,  
6-22 probation or sentence,  
6-23 whichever is later.

6-24 3. Suspension or revocation of a license pursuant to this  
6-25 chapter or any prior revocation or current suspension in this or any  
6-26 other state, district or territory of the United States or any foreign  
6-27 country within 10 years before the date of the application is grounds  
6-28 for refusal to grant a license.

6-29 4. A person may not be licensed as a real estate broker unless  
6-30 he has been actively engaged as a full-time licensed real estate  
6-31 broker-salesman or salesman in this state, or actively engaged as a  
6-32 full-time licensed real estate broker, broker-salesman or salesman in  
6-33 another state or the District of Columbia, for at least 2 of the 4 years  
6-34 immediately preceding the issuance of a broker's license.