

CHAPTER.....

AN ACT relating to time shares; providing for the issuance of a provisional sales agent's license by the Real Estate Division of the Department of Business and Industry; setting forth limitations governing such a license; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Pursuant to existing law it is unlawful for a person to sell or offer to sell a time share without first obtaining a sales agent's license from the Real Estate Division of the Department of Business and Industry. (NRS 119A.050, 119A.130, 119A.680) The Real Estate Administrator will issue a sales agent's license to an applicant who submits an application to the Division, in the manner provided by the Division. (NRS 119A.020, 119A.210)

Section 2 of this bill requires the Division to grant a provisional sales agent's license to an applicant upon verifying the applicant's complete submission of certain items to the Division. Pursuant to the conditions of the provisional sales agent's license, an applicant may only conduct certain sales-related activities and may do so only under the employment of his specified project broker. **Section 3** of this bill sets forth conditions upon which a provisional sales agent's license will expire. This section also provides for the termination of an applicant's employment with his project broker and the resubmission of an application if an applicant wishes to work for a new project broker. Finally, this section authorizes a hearing for the applicant if his application is denied. **Section 4** of this bill sets forth certain restrictions, conditions and limitations on the activities of a provisional sales agent. This section also sets forth requirements concerning the supervision and commissions of a provisional sales agent. **Section 4.5** of this bill provides for a fee for changing the status of a provisional license to a license.

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

Section 1. Chapter 119A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. 1. *The Division shall issue a provisional sales agent's license for an applicant who submits:*

(a) A complete application for a sales agent's license in compliance with NRS 119A.210 and applicable regulations;

(b) A written statement of acknowledgment from the project broker who will employ the applicant that:

(1) The project broker has obtained a report on the background of the applicant from a licensed private investigator or other reputable source acceptable to the Division;



(2) The project broker is satisfied that the applicant has a reputation for honesty, trustworthiness and competence; and

(3) There is a written agreement between the project broker and the applicant in which the applicant states that he understands and agrees that his employment in a position as a provisional sales agent will be terminated if the Division denies his application for a sales agent's license; and

(c) A copy of the report described in subparagraph (1) of paragraph (b), which must demonstrate that the applicant has not been convicted of, or pleaded guilty or nolo contendere to, any crime that would be grounds for the Division to deny the application for a sales agent's license pursuant to this chapter or any regulations adopted pursuant thereto.

2. The Division shall issue a provisional license to the project broker for an applicant upon verifying the applicant's complete submission of all the required items set forth in subsection 1.

Sec. 3. 1. A provisional license issued to an applicant by the Division will expire automatically:

(a) If the Division denies the applicant's application;

(b) Upon the issuance of a sales agent's license to the project broker for the applicant;

(c) If the Division denies the applicant an identification card or permit of any kind;

(d) If the applicant terminates employment with the project broker who provided the written statement of acknowledgment identified in section 2 of this act; or

(e) If the applicant's check for the fee for the application of an original license is returned for insufficient funds.

2. An applicant may not work for a new project broker without resubmitting a complete application for a sales agent's license in compliance with NRS 119A.210 and section 2 of this act and applicable regulations.

3. Except as otherwise provided in this section, a provisional license expires 1 year after its date of issuance and may not be renewed.

4. Within 10 days after an applicant's employment is terminated, the project broker shall notify the Division of the termination and return the provisional license to the Division.

5. If the Division denies the application for a sales agent's license, the applicant:

(a) May request a hearing to contest the denial of the application pursuant to this chapter and any regulations adopted pursuant thereto; and



(b) Shall not work as a provisional sales agent or in any other position that requires a provisional license while the decision on the appeal requested pursuant to paragraph (a) is pending.

Sec. 4. 1. A provisional licensee shall not:

(a) Conduct sales-related activities unless he is:

(1) Under the supervision of:

(I) His project broker; or

(II) A cooperating real estate broker designated by the project broker in accordance with the provisions of this chapter and any regulations adopted pursuant thereto.

(2) At the principal place of business or a branch office of the project broker, or at the physical location of a time-share development.

(b) Collect personal information from a prospective purchaser or purchaser of a time share.

2. A project broker shall not grant to a provisional licensee:

(a) Access to a time-share lockbox; or

(b) The ability to enter a private residence or a time-share unit that an unlicensed person otherwise would not have.

3. A project broker or a cooperating real estate broker designated by the project broker in accordance with the provisions of this chapter and any regulations adopted pursuant thereto shall:

(a) Supervise the provisional licensee employed by the project broker; and

(b) Review and approve in writing any contract prepared by the provisional licensee that relates to the sale of a time share.

4. A provisional licensee may receive a commission for the sale of a time share in which the provisional licensee is involved.

5. As used in this section:

(a) "Personal information" has the meaning ascribed to it in NRS 603A.040.

(b) "Provisional licensee" means an applicant who receives a provisional sales agent's license from the Division pursuant to section 2 of this act.

Sec. 4.5. NRS 119A.360 is hereby amended to read as follows:

119A.360 1. The Division shall collect the following fees at such times and upon such conditions as it may provide by regulation:

For each application for the registration of a
representative \$85



For each renewal of the registration of a representative	\$85
For each transfer of the registration of a representative to a different developer.....	20
For each penalty for a late renewal of the registration of a representative	40
For each preliminary permit to sell time shares	275
For each permit to sell time shares, per subdivision	500
For each amendment to a public offering statement after the issuance of the report.....	150
For each renewal of a permit to sell time shares.....	500
For each original and annual registration of a manager.....	75
For each application for an original license as a sales agent.....	175
For each renewal of a license as a sales agent	175
For each penalty for a late renewal of a license as a sales agent	75
For each change of name or address <i>of a licensee or status of a license</i>	20
For each duplicate license, permit or registration where the original is lost or destroyed, and an affidavit is made thereof	20
For each annual approval of a course of instruction offered in preparation for an original license or permit	100
For each original accreditation of a course of continuing education.....	100
For each renewal of accreditation of a course of continuing education.....	50

2. Each developer shall pay an additional fee for each time share he sells in a time-share plan over 50 pursuant to the following schedule:

Number of time shares	Amount to be paid per time share
51—250.....	\$5.00
251—500.....	4.00
501—750.....	3.00
751—1500.....	2.50
over 1500.....	1.00



3. Except for the fees relating to the registration of a representative, the Administrator may reduce the fees established by this section if the reduction is equitable in relation to the costs of carrying out the provisions of this chapter.

4. The Division shall adopt regulations which establish the fees to be charged and collected by the Division to pay the costs of:

(a) Any examination for a license, including any costs which are necessary for the administration of such an examination.

(b) Any investigation of a person's background.

Sec. 5. This act becomes effective upon passage and approval.

