

SENATE BILL NO. 242—SENATOR SCHNEIDER

MARCH 13, 2009

Referred to Committee on Energy, Infrastructure and Transportation

SUMMARY—Enacts provisions relating to energy efficiency, renewable energy and building construction. (BDR 58-378)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted-material] is material to be omitted.

AN ACT relating to energy; requiring certain contractors to offer upgrades for renewable energy and energy efficiency; requiring certain contractors assisting buyers in obtaining financing to offer, or work with lenders that offer, energy efficient mortgages; requiring licensees of the Real Estate Division of the Department of Business and Industry to make certain information about energy efficiency in residential property available to each party to a real estate transaction; revising continuing education requirements relating to energy efficiency for real estate brokers, real estate broker-salesmen, real estate salesmen, mortgage brokers and certified or licensed real estate appraisers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 4** of this bill: (1) requires a contractor to offer certain upgrades for
2 renewable energy and energy efficiency to a person who negotiates to purchase a
3 single-family residence which will be built by the contractor as part of a
4 development of 25 or more single-family residences; and (2) requires a contractor
5 to offer information about retrofitting certain upgrades for renewable energy and
6 energy efficiency to a person who negotiates to purchase a single-family residence
7 which has already been built by the contractor as part of a development of 25 or
8 more single-family residences. **Section 5** of this bill requires a contractor who
9 arranges financing for the purchase of a single-family residence which is built by
10 the contractor as part of a development of 25 or more single-family residences to
11 offer, or work with a lender that offers, the option for the buyer to apply for an
12 energy efficient mortgage. If the contractor does not arrange financing for buyers,



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section 5 requires the contractor to provide information to buyers concerning energy efficient mortgages.

Section 8 of this bill requires licensees of the Real Estate Division of the Department of Business and Industry to distribute free of charge to each party to a real estate transaction written information which is available publicly and which is designed to assist in the identification, evaluation and selection of energy efficiency and conservation features in residential property. Sections 11, 12 and 13 of this bill amend the continuing education requirements for real estate brokers, real estate broker-salesmen, real estate salesmen, mortgage brokers and certified or licensed real estate appraisers to include a requirement for training in energy efficiency and conservation features in residential property. (NRS 645.575, 645B.051, 645C.440)

Sections 11.5 and 13.5 of this bill allow a new component of not more than 1 hour of instruction concerning energy efficiency in residential property to be added to an existing course of continuing education without the Division charging accreditation or approval fees for the addition of the new component to the course. (NRS 645.830, 645C.450)

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 624 of NRS is hereby amended by adding thereto the provisions set forth as sections 4 and 5 of this act.

Sec. 4. 1. *A contractor shall offer a choice of upgrades for renewable energy and energy efficiency to a person who negotiates to purchase a single-family residence which will be built by the contractor as part of a development of 25 or more single-family residences. The upgrades may be offered in a package, but the contractor shall allow the person to select individual upgrades and shall not require the selection of an entire package. Qualifying upgrades include, without limitation:*

(a) *Awnings and shutters;*

(b) *Cool roof coating;*

(c) *Energy efficient appliances;*

(d) *A ground source heat pump;*

(e) *Low-emissivity windows;*

(f) *A programmable thermostat;*

(g) *Ridge vents;*

(h) *A system for solar energy that:*

(1) *Consists of a photovoltaic solar collector, or other device for photovoltaic solar energy, that has a primary purpose of providing for the collection, storage and distribution of solar energy for the generation of electricity; and*

(2) *Produces an average of at least 2 kilowatts of alternating current of electricity;*



(i) A system for solar thermal energy that has a primary purpose of providing for the collection, storage and distribution of solar energy for the production of hot water or air for space heating or water heating; and

(j) A charging station for an electric vehicle.

2. A contractor shall provide information on retrofitting qualifying upgrades for renewable energy and energy efficiency set forth in subsection 1 to a person who negotiates to purchase a single-family residence which the contractor has already built as part of a development of 25 or more single-family residences.

Sec. 5. 1. A contractor who:

(a) Directly or through an affiliate, subsidiary or other related entity arranges financing for the purchase of a single-family residence which is built by the contractor as part of a development of 25 or more single-family residences shall offer, or work with a lender that offers, the option for the buyer to apply for an energy efficient mortgage.

(b) Does not arrange financing for the purchase of a single-family residence specified in paragraph (a) shall provide to the purchaser, free of charge, written information concerning energy efficient mortgages which must include, without limitation, the information concerning energy efficient mortgages available publicly from the United States Department of Energy, the Environmental Protection Agency, the Federal Housing Administration and the Department of Housing and Urban Development.

2. As used in this section, "energy efficient mortgage" means a mortgage which credits the energy efficiency of a home in the mortgage by providing borrowers with the opportunity to finance cost-effective and energy-saving measures as part of a single mortgage and by increasing debt-to-income qualifying ratios on loans.

Sec. 6. Chapter 645 of NRS is hereby amended by adding thereto the provisions set forth as sections 7 and 8 of this act.

Sec. 7. "Residential property" has the meaning ascribed to it in NRS 113.100.

Sec. 8. A licensee shall provide, free of charge, to each party to a real estate transaction written information which is available publicly and which is designed to assist a person in the identification, evaluation and selection of energy efficiency and conservation features in residential property. The written information must include, without limitation, information relating to:

1. Appliances;

2. Building materials used in homes;



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3. *Cool roofs;*
4. *Energy efficient mortgages and financing;*
5. *"Green" home certification programs;*
6. *Heating and cooling systems, including water heating systems;*
7. *Home energy audits and ratings;*
8. *Insulation;*
9. *Landscaping;*
10. *Lighting and day lighting;*
11. *Passive solar heating;*
12. *Solar electricity;*
13. *Water-conserving devices; and*
14. *Windows.*

Sec. 9. NRS 645.0005 is hereby amended to read as follows:
645.0005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 645.001 to 645.042, inclusive, *and section 7 of this act* have the meanings ascribed to them in those sections.

Sec. 10. NRS 645.194 is hereby amended to read as follows:
645.194 1. The Division shall prepare a booklet that provides relevant information concerning the disclosures that are required by federal, state and local laws and regulations by a buyer and a seller in a transaction involving the sale of residential property.

2. The Division shall make copies of the booklet prepared pursuant to subsection 1 available to licensees which the licensee must distribute to prospective buyers and sellers in the sale of residential property in accordance with the regulations adopted by the Commission.

3. The Commission shall approve the format and content of the information that must be included in the booklet.

~~[4. As used in this section, "residential property" has the meaning ascribed to it in NRS 113.100.]~~

Sec. 11. NRS 645.575 is hereby amended to read as follows:
645.575 1. The Commission shall adopt regulations that prescribe the standards for the continuing education of persons licensed pursuant to this chapter.

2. The standards adopted pursuant to subsection 1 must permit alternatives of subject material, taking cognizance of specialized areas of practice and alternatives in sources of programs considering availability in area and time. The standards must include, where qualified, generally accredited educational institutions, private vocational schools, educational programs and seminars of professional societies and organizations, other organized educational programs on technical subjects, or equivalent offerings. The Commission shall qualify only those educational courses that it



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determines address the appropriate subject matter and are given by an accredited university or community college. Subject to the provisions of this section, the Commission has exclusive authority to determine what is an appropriate subject matter for qualification as a continuing education course.

3. In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission may, without limitation, adopt by regulation standards for continuing education that:

(a) Establish a postlicensing curriculum of continuing education which must be completed by a person within the first year immediately after initial licensing of the person.

(b) Require a person whose license as a real estate broker or real estate broker-salesman has been placed on inactive status for any reason for 1 year or more or has been suspended or revoked to complete a course of instruction in broker management that is designed to fulfill the educational requirements for issuance of a license which are described in paragraph (d) of subsection 2 of NRS 645.343 ~~§~~ before the person's license is reissued or reinstated.

4. *In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission shall adopt by regulation standards for continuing education that require a person who holds a license as a real estate broker, real estate broker-salesman or real estate salesman to complete instruction in energy efficiency in residential property which includes, without limitation, instruction concerning each energy efficiency and conservation feature set forth in section 8 of this act.*

5. Except as otherwise provided in this subsection, the license of a real estate broker, broker-salesman or salesman must not be renewed or reinstated unless the Administrator finds that the applicant for the renewal license or for reinstatement to active status has completed the continuing education required by this chapter. Any amendment or repeal of a regulation does not operate to prevent an applicant from complying with this section for the next licensing period following the amendment or repeal.

Sec. 11.5. NRS 645.830 is hereby amended to read as follows:

645.830 1. ~~§~~ *Except as otherwise provided in subsection 3, the* following fees must be charged by and paid to the Division:

For each original real estate broker's, broker-	
salesman's or corporate broker's license	\$105
For each original real estate salesman's license	85
For each original branch office license	120



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1	For real estate education, research and recovery to be	
2	paid at the time an application for an original	
3	license is filed	\$40
4	For real estate education, research and recovery to be	
5	paid at the time an application for renewal of a	
6	license is filed	40
7	For each renewal of a real estate broker's, broker-	
8	salesman's or corporate broker's license	180
9	For each renewal of a real estate salesman's license	140
10	For each renewal of a real estate branch office license.....	110
11	For each penalty for late filing of a renewal for a	
12	broker's, broker-salesman's or corporate broker's	
13	license	95
14	For each penalty for late filing of a renewal for a	
15	salesman's license	75
16	For each change of name or address	20
17	For each transfer of a real estate salesman's or broker-	
18	salesman's license and change of association or	
19	employment.....	20
20	For each duplicate license where the original license	
21	is lost or destroyed, and an affidavit is made	
22	thereof	20
23	For each change of broker status from broker to	
24	broker-salesman	20
25	For each change of broker status from broker-	
26	salesman to broker	40
27	For each reinstatement to active status of an inactive	
28	real estate broker's, broker-salesman's or	
29	salesman's license	20
30	For each reinstatement of a real estate broker's license	
31	when the licensee fails to give immediate written	
32	notice to the Division of a change of name or	
33	business location	30
34	For each reinstatement of a real estate salesman's or	
35	broker-salesman's license when he fails to notify	
36	the Division of a change of broker within 30 days	
37	of termination by previous broker.....	30
38	For each original registration of an owner-developer	125
39	For each annual renewal of a registration of an owner-	
40	developer.....	125
41	For each enlargement of the area of an owner-	
42	developer's registration.....	50
43	For each cooperative certificate issued to an out-of-	
44	state broker licensee for 1 year or fraction thereof	150



For each original accreditation of a course of continuing education.....	\$100
For each renewal of accreditation of a course of continuing education.....	50
For each annual approval of a course of instruction offered in preparation for an original license or permit	100

2. The fees prescribed by this section for courses of instruction offered in preparation for an original license or permit or for courses of continuing education do not apply to:

(a) Any university, state college or community college of the Nevada System of Higher Education.

(b) Any agency of the State.

(c) Any regulatory agency of the Federal Government.

3. The Division shall not charge and collect a fee for the original or renewal accreditation of an existing course of continuing education solely on the basis that a new component consisting of not more than 1 hour of instruction concerning energy efficiency in residential property is added to the curriculum of the existing course of continuing education.

4. The Commission shall adopt regulations which establish the fees to be charged and collected by the Division to pay the costs of any investigation of a person's background.

Sec. 12. NRS 645B.051 is hereby amended to read as follows:

645B.051 1. Except as otherwise provided in this section, in addition to the requirements set forth in NRS 645B.050, to renew a license as a mortgage broker:

(a) If the licensee is a natural person, the licensee must submit to the Commissioner satisfactory proof that the licensee attended at least 10 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

(b) If the licensee is not a natural person, the licensee must submit to the Commissioner satisfactory proof that each natural person who supervises the daily business of the licensee attended at least 10 hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

2. The Commissioner may provide by regulation that if a person attends more than 10 hours of certified courses of continuing education during a 12-month period, the extra hours may be used to satisfy the requirement for the immediately following 12-month period and for that immediately following 12-month period only.



3. *In addition to any other standards for continuing education that the Commissioner adopts by regulation pursuant to NRS 645B.0138, the Commissioner shall adopt by regulation standards for continuing education that require a licensee to complete a course of instruction which includes, without limitation, instruction related to energy efficient mortgages and financing.*

4. As used in this section, "certified course of continuing education" means a course of continuing education which relates to the mortgage industry or mortgage transactions and which meets the requirements set forth by the Commissioner by regulation pursuant to NRS 645B.0138.

Sec. 12.5. NRS 645C.340 is hereby amended to read as follows:

645C.340 1. Each application for an examination for a certificate or license must be accompanied by the fees established by the Division pursuant to subsection ~~2~~ 3 of NRS 645C.450.

2. The examination must test the applicant on his knowledge and understanding of:

(a) Subjects applicable to the type of certificate or license for which he is applying; and

(b) Laws regarding the practice of preparing and communicating appraisals, including the provisions of this chapter and any regulations adopted pursuant thereto.

3. The Division may hire a professional testing organization to create, administer or score the examination.

Sec. 13. NRS 645C.440 is hereby amended to read as follows:

645C.440 1. The Commission shall adopt regulations governing the continuing education of certified or licensed appraisers. The regulations must include the criteria for approving each course and the requirements for submission of proof of attendance at a course.

2. In approving courses for continuing education, the Commission shall authorize a variety of subjects and give consideration to specialized areas of practice and the availability of programs. An appropriate educational course given by an accredited university or community college must be approved by the Commission.

3. *In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission shall adopt by regulation standards for continuing education that require a certified or licensed appraiser to complete instruction in energy efficiency in residential property which includes, without limitation, instruction*



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1 *concerning each energy efficiency and conservation feature set*
2 *forth in section 8 of this act.*

3 **Sec. 13.5.** NRS 645C.450 is hereby amended to read as
4 follows:

5 645C.450 1. ~~[The]~~ *Except as otherwise provided in*
6 *subsection 2, the* following fees may be charged and collected by
7 the Division:

8		
9	Application for a certificate, license or registration	
10	card.....	\$100
11	Issuance or renewal of a certificate or license as a	
12	residential appraiser	290
13	Issuance or renewal of a certificate as a general	
14	appraiser	390
15	Issuance of a permit	115
16	Issuance or renewal of a registration card.....	190
17	Issuance of a duplicate certificate or license for an	
18	additional office	50
19	Change in the name or location of a business	20
20	Reinstatement of an inactive certificate or license	30
21	Annual approval of a course of instruction offered in	
22	preparation for an initial certificate or license	100
23	Original approval of a course of instruction offered	
24	for continuing education	100
25	Renewal of approval of a course of instruction offered	
26	for continuing education	50
27		

28 2. *The Division shall not charge and collect a fee for the*
29 *original or renewal accreditation of an existing course of*
30 *continuing education solely on the basis that a new component*
31 *consisting of not more than 1 hour of instruction concerning*
32 *energy efficiency in residential property is added to the curriculum*
33 *of the existing course of instruction for continuing education.*

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

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

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

40 **Sec. 14.** (Deleted by amendment.)

41 **Sec. 15.** 1. This section and section 14 of this act become
42 effective upon passage and approval.

43 2. Section 8 of this act becomes effective:

44 (a) Upon passage and approval for the purpose of taking any
45 actions required by a licensee to provide written information



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1 concerning energy efficiency and conservation specified in that
2 section; and

3 (b) On October 1, 2009, for all other purposes.

4 3. Sections 1, 11, 11.5, 12, 13 and 13.5 of this act become
5 effective upon passage and approval for the purpose of adopting
6 regulations and on October 1, 2009, for all other purposes.

7 4. Sections 2 to 5, inclusive, 6, 7, 9, 10 and 12.5 of this act
8 become effective on October 1, 2009.

