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FIRST REPRINT

A.B. 524

## ASSEMBLY BILL NO. 524—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to appraisers of real estate. (BDR 54-1199)

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

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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 appraisers of real estate; revising provisions governing continuing education requirements for certified and licensed appraisers and registered interns; requiring the Commission of Appraisers of Real Estate to establish certain requirements concerning continuing education; requiring the Commission to establish certain fees relating to continuing education; requiring the Real Estate Division of the Department of Business and Industry to conduct certain investigations and examinations of each certified or licensed appraiser; requiring an appraiser who is investigated or examined by the Division to pay certain costs relating to the investigation or examination; authorizing the Division to contract for or procure the services of certain persons to assist in or carry out investigations and examinations of appraisers; revising certain fees for the issuance or renewal of a license or certificate; making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law requires an appraiser to complete certain continuing education as a
- 2 condition for the renewal or reinstatement of a certificate or license and further
- 3 requires the Commission of Appraisers of Real Estate to adopt regulations
- 4 governing the continuing education requirements for appraisers. (NRS 645C.430,
- 5 645C.440) **Section 2** of this bill requires appraisers and interns to complete a



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6 course of continuing education which must include education in ethics and issues  
7 relating to the appraisal of real property with an emphasis on trends and market  
8 conditions in Nevada and any changes in law which affect the appraisal of real  
9 property. **Section 2** requires the Commission to establish a reasonable fee for the  
10 cost of the course. **Section 2** additionally requires the Real Estate Division of the  
11 Department of Business and Industry to develop the curriculum for the course and  
12 submit the curriculum to the Commission for approval. **Section 3** of this bill creates  
13 the Account for Real Estate Appraisal Audit and Education in the State General  
14 Fund and provides that the fees collected by the Division for the cost of the course  
15 of continuing education required by **section 2** must be deposited in the Account and  
16 used to defray the costs of the Commission and the Division in carrying out the  
17 provisions of **section 2**.

18 **Section 4** of this bill requires the Division to conduct an examination and  
19 investigation of each certified or licensed appraiser not less frequently than every 4  
20 years. **Section 4** authorizes the Division to contract for and procure the services of  
21 examiners and other specialized technical or professional assistance as may  
22 reasonably be required to carry out such examinations and investigations. **Section 5**  
23 of this bill requires an appraiser who is subject to such examination or investigation  
24 to pay certain costs relating to the examination or investigation. **Section 6** of this  
25 bill requires that all money collected pursuant to **section 5** be used to pay the  
26 expenses relating to the examination or investigation of an appraiser or for any  
27 other purpose authorized by the Legislature.

28 **Section 7.7** of this bill requires the Real Estate Administrator to employ an  
29 administrative assistant and an investigator to carry out the provisions of this bill  
30 and makes an appropriation from the State General Fund to the Real Estate  
31 Administration Account in Fiscal Year 2011-2012 and Fiscal Year 2012-2013 to  
32 pay the salaries and related expenses of these two new positions.

33 Under existing law, a fee of \$290 is charged for the issuance or biennial  
34 renewal of a license or certificate as a residential appraiser, and a fee of \$390 is  
35 charged for the issuance or biennial renewal of a certificate as a general appraiser.  
36 (NRS 645C.450) A portion of that fee, currently \$50, is retained by the Real Estate  
37 Division for payment of the registry fee to the Federal Financial Institutions  
38 Examination Council. (NRS 645C.240) On July 21, 2010, the Dodd-Frank Wall  
39 Street Reform and Consumer Protection Act (Dodd-Frank Act) was signed into  
40 law. (Pub. L. No. 111-203, 124 Stat. 1376) The Dodd-Frank Act revised 12 U.S.C.  
41 § 3338 to increase the annual registry fee from \$25 to \$40. **Section 7** of this bill  
42 increases the biennial fees charged for the issuance or renewal of a license or  
43 certificate as a residential appraiser and for the issuance or renewal of a certificate  
44 as a general appraiser by \$30 to cover the annual \$15 increase in the federal registry  
45 fee.

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

1 **Section 1.** Chapter 645C of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 6, inclusive, of this  
3 act.

4 **Sec. 2. 1. As a condition of the renewal or reinstatement of**  
5 **a certificate, license or registration issued pursuant to this**  
6 **chapter, and as a component of the continuing education required**  
7 **pursuant to NRS 645C.430 and 645C.440, each certified**



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1 *appraiser, licensed appraiser and registered intern in this State*  
2 *shall complete a course of continuing education which meets the*  
3 *requirements established by the Commission pursuant to*  
4 *paragraph (a) of subsection 2 and pay to the Division the fee*  
5 *established by the Commission pursuant to paragraph (b) of*  
6 *subsection 2.*

7 *2. The Commission shall by regulation establish:*

8 *(a) The requirements for a course of continuing education*  
9 *which must include, without limitation, education in ethics and*  
10 *issues relating to the appraisal of real property with an emphasis*  
11 *on trends and market conditions in this State and any changes in*  
12 *the law in this State which affect the appraisal of real property;*  
13 *and*

14 *(b) A reasonable fee for the cost of the course of continuing*  
15 *education required by this section.*

16 *3. The Division shall develop the curriculum for the course of*  
17 *continuing education required by this section in accordance with*  
18 *the requirements established by the Commission pursuant to*  
19 *subsection 2 and submit the curriculum to the Commission for*  
20 *approval.*

21 **Sec. 3.** *1. The Account for Real Estate Appraisal Audit and*  
22 *Education is hereby created in the State General Fund. The*  
23 *Administrator shall administer the Account.*

24 *2. All money paid to the Division pursuant to section 2 of this*  
25 *act must be deposited in the Account. All interest and income*  
26 *earned on money in the Account must be credited to the Account.*  
27 *The money in the Account does not revert to the State General*  
28 *Fund at the end of any fiscal year.*

29 *3. All claims against the Account must be paid as other*  
30 *claims against the State are paid.*

31 *4. The money in the Account must be used to defray the costs*  
32 *and expenses incurred by the Commission and the Division in*  
33 *carrying out the provisions of section 2 of this act and may be used*  
34 *to defray any other costs incurred by the Division in enforcing the*  
35 *provisions of this chapter.*

36 **Sec. 4.** *1. In addition to any other examinations and*  
37 *investigations expressly authorized, the Division shall, not less*  
38 *frequently than every 4 years, conduct an examination and*  
39 *investigation of each certified or licensed appraiser to determine*  
40 *whether any such appraiser has violated the Uniform Standards of*  
41 *Appraisal Practice of the Appraisal Institute or its successor or*  
42 *any provision of this chapter or to secure information useful in the*  
43 *lawful enforcement or administration of any such uniform*  
44 *standard or provision of law. Such examinations and*  
45 *investigations must include, without limitation:*



(a) An examination of the appraisals, work files and records of each certified or licensed appraiser; and

(b) If an appraiser is not a resident of this State, submission to the Division by the appraiser of a log of appraisals performed by the appraiser from which the Division may select appraisals to be submitted to the Division for review.

2. The Division may contract for and procure the services of examiners and other specialized technical or professional assistance, as independent contractors or for a fee, as may reasonably be required to carry out the provisions of this section. None of the persons providing those services or assistance pursuant to a contract or for a fee may be in the classified service of the State.

3. The Division may adopt regulations to carry out the provisions of this section.

**Sec. 5.** The expenses of the examination or investigation of an appraiser pursuant to section 4 of this act must be borne by the person examined or investigated. Such expenses include only the reasonable and proper expenses of the Administrator, the employees of the Division and the examiners and assistants of the Division, including expert assistance and reasonable compensation as to such examiners and assistants incurred in the examination or investigation. The person examined or investigated shall promptly pay to the Division the expenses of the examination or investigation upon presentation by the Division of a reasonably detailed written statement thereof.

**Sec. 6.** All money received by the Division pursuant to section 5 of this act and all interest and income earned on such money must be deposited with the State Treasurer for credit to the State General Fund and:

1. Must be used to pay the compensation and other necessary and authorized expenses incurred by an employee, examiner, assistant or other representative of the Division in the examination or investigation of any person required to pay, and making payment of, the expenses of the examination or investigation pursuant to section 5 of this act; and

2. May be expended for any other purpose authorized by the Legislature.

**Sec. 7.** NRS 645C.450 is hereby amended to read as follows:  
645C.450 1. The following fees may be charged and collected by the Division:

Application for a certificate, license or registration  
card..... \$100



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1	Issuance or renewal of a certificate or license as a	
2	residential appraiser .....	<del>[\$290]</del> \$320
3	Issuance or renewal of a certificate as a general	
4	appraiser .....	<del>[390]</del> 420
5	Issuance of a permit .....	115
6	Issuance or renewal of a registration card .....	190
7	Issuance of a duplicate certificate or license for an	
8	additional office .....	50
9	Change in the name or location of a business .....	20
10	Reinstatement of an inactive certificate or license .....	30
11	Annual approval of a course of instruction offered	
12	in preparation for an initial certificate or	
13	license .....	100
14	Original approval of a course of instruction	
15	offered for continuing education .....	100
16	Renewal of approval of a course of instruction	
17	offered for continuing education .....	50

18  
19 2. The Division shall adopt regulations which establish the fees  
20 to be charged and collected by the Division to pay the costs of:

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

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

25 **Sec. 7.5.** The Real Estate Division of the Department of  
26 Business and Industry and the Commission of Appraisers of Real  
27 Estate shall adopt the regulations required by this act on or before  
28 December 31, 2011.

29 **Sec. 7.7.** 1. To carry out the provisions of sections 2 to 6,  
30 inclusive, of this act, the Real Estate Administrator shall employ an  
31 investigator and an administrative assistant who are in the classified  
32 service of the State.

33 2. There is hereby appropriated from the State General Fund to  
34 the Real Estate Administration Account:

35 (a) For the 2011-2012 Fiscal Year the sum of \$80,880.

36 (b) For the 2012-2013 Fiscal Year the sum of \$105,787.

37 3. The money appropriated by subsection 2 must be expended  
38 to pay the salaries and related expenses of the positions authorized  
39 by subsection 1.

40 4. Any remaining balance of the appropriation made by  
41 paragraph (a) of subsection 2 must be transferred and added to the  
42 money appropriated by paragraph (b) of subsection 2 and may be  
43 expended as that money is expended.

44 5. Any remaining balance of the appropriation made by  
45 subsection 2 must not be committed for expenditure after June 30,



1 2013, and must be reverted to the State General Fund on or before  
2 September 20, 2013.

3 **Sec. 8.** 1. This section becomes effective upon passage and  
4 approval.

5 2. Sections 1 to 7.5, inclusive, of this act become effective  
6 upon passage and approval for the purpose of adopting regulations  
7 and on January 1, 2012, for all other purposes.

8 3. Except as otherwise provided in subsection 4, section 7.7 of  
9 this act becomes effective on July 1, 2011.

10 4. Paragraph (b) of subsection 2 of section 7.7 of this act  
11 becomes effective on July 1, 2012.

