

SENATE BILL NO. 181—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

(ON BEHALF OF THE LEGISLATIVE COMMISSION’S COMMITTEE
TO STUDY THE PRODUCTION AND USE OF ENERGY)

FEBRUARY 21, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Enacts provisions relating to energy efficiency,
renewable energy and building construction.
(BDR 54-219)

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-salespersons, real estate salespersons, mortgage brokers and certified or licensed real estate appraisers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 **Section 2** of this bill requires a contractor to: (1) 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) offer information
- 5 about retrofitting certain upgrades for renewable energy and energy efficiency to a
- 6 person who negotiates to purchase a single-family residence which has already
- 7 been built by the contractor as part of a development of 25 or more single-family



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residences. **Section 3** of this bill requires a contractor who 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 to offer, or work with a lender that offers, the option for the buyer to apply for an energy efficient mortgage. If the contractor does not arrange financing for buyers, **section 3** requires the contractor to provide written information to buyers concerning energy efficient mortgages.

Section 6 of this bill requires real estate brokers, real estate broker-salespersons and real estate salespersons 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 9, 11 and 13** of this bill amend the continuing education requirements for real estate brokers, real estate broker-salespersons, real estate salespersons, mortgage brokers and certified or licensed real estate appraisers to include a requirement for training in energy efficiency and conservation features in residential property.

Sections 10 and 14 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 Real Estate Division of the Department of Business and Industry charging accreditation or approval fees for the addition of the new component to the course.

Section 15 of this bill requires the regulations which must be adopted pursuant to the provisions of this bill to be adopted on or before December 31, 2011.

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

Section 1. Chapter 624 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 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 the primary purpose



1 of providing for the collection, storage and distribution of solar
2 energy for the generation of electricity; and

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

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

9 (j) A charging station for an electric vehicle.

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

16 **Sec. 3.** 1. A contractor who:

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

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

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

38 **Sec. 4.** Chapter 645 of NRS is hereby amended by adding
39 thereto the provisions set forth as sections 5 and 6 of this act.

40 **Sec. 5.** "Residential property" has the meaning ascribed to it
41 in NRS 113.100.

42 **Sec. 6.** A real estate broker, real estate broker-salesperson or
43 real estate salesperson shall provide, free of charge, to each party
44 to a real estate transaction written information which is available
45 publicly and which is designed to assist a person in the



1 *identification, evaluation and selection of energy efficiency and*
2 *conservation features in residential property. The written*
3 *information must include, without limitation, information relating*
4 *to:*

- 5 1. *Appliances;*
- 6 2. *Building materials used in homes;*
- 7 3. *Cool roofs;*
- 8 4. *Energy efficient mortgages and financing;*
- 9 5. *“Green” home certification programs;*
- 10 6. *Heating and cooling systems, including water heating*
11 *systems;*
- 12 7. *Home energy audits and ratings;*
- 13 8. *Insulation;*
- 14 9. *Landscaping;*
- 15 10. *Lighting and day lighting;*
- 16 11. *Passive solar heating;*
- 17 12. *Solar electricity;*
- 18 13. *Water-conserving devices; and*
- 19 14. *Windows.*

20 **Sec. 7.** NRS 645.0005 is hereby amended to read as follows:
21 645.0005 As used in this chapter, unless the context otherwise
22 requires, the words and terms defined in NRS 645.001 to 645.042,
23 inclusive, *and section 5 of this act* have the meanings ascribed to
24 them in those sections.

25 **Sec. 8.** NRS 645.194 is hereby amended to read as follows:
26 645.194 1. The Division shall prepare a booklet that provides
27 relevant information concerning the disclosures that are required by
28 federal, state and local laws and regulations by a buyer and a seller
29 in a transaction involving the sale of residential property.

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

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

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

39 **Sec. 9.** NRS 645.575 is hereby amended to read as follows:
40 645.575 1. The Commission shall adopt regulations that
41 prescribe the standards for the continuing education of persons
42 licensed pursuant to this chapter.

43 2. The standards adopted pursuant to subsection 1 must permit
44 alternatives of subject material, taking cognizance of specialized
45 areas of practice and alternatives in sources of programs considering



1 availability in area and time. The standards must include, where
2 qualified, generally accredited educational institutions, private
3 vocational schools, educational programs and seminars of
4 professional societies and organizations, other organized educational
5 programs on technical subjects, or equivalent offerings. The
6 Commission shall qualify only those educational courses that it
7 determines address the appropriate subject matter and are given by
8 an accredited university or community college. Subject to the
9 provisions of this section, the Commission has exclusive authority
10 to determine what is an appropriate subject matter for qualification
11 as a continuing education course.

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

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

19 (b) Require a person whose license as a real estate broker or real
20 estate broker-salesperson has been placed on inactive status for any
21 reason for 1 year or more or has been suspended or revoked to
22 complete a course of instruction in broker management that is
23 designed to fulfill the educational requirements for issuance of a
24 license which are described in paragraph (d) of subsection 2 of NRS
25 645.343, before the person's license is reissued or reinstated.

26 4. *In addition to any other standards for continuing*
27 *education that the Commission adopts by regulation pursuant to*
28 *this section, the Commission shall adopt by regulation standards*
29 *for continuing education that require a person who holds a license*
30 *as a real estate broker, real estate broker-salesperson or real estate*
31 *salesperson to complete instruction in energy efficiency in*
32 *residential property which includes, without limitation, instruction*
33 *concerning each energy efficiency and conservation feature set*
34 *forth in section 6 of this act.*

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



Sec. 10. NRS 645.830 is hereby amended to read as follows:
645.830 1. ~~[The]~~ *Except as otherwise provided in subsections 2 and 3, the* following fees must be charged by and paid to the Division:

| | |
|--|-------|
| For each original real estate broker's, broker-salesperson's or corporate broker's license | \$210 |
| For each original real estate salesperson's license | 170 |
| For each original branch office license | 240 |
| For real estate education, research and recovery to be paid at the time an application for an original license is filed | 40 |
| For real estate education, research and recovery to be paid at the time an application for renewal of a license is filed | 80 |
| For each renewal of a real estate broker's, broker-salesperson's or corporate broker's license | 360 |
| For each renewal of a real estate salesperson's license | 280 |
| For each renewal of a real estate branch office license | 220 |
| For each penalty for late filing of a renewal for a broker's, broker-salesperson's or corporate broker's license | 180 |
| For each penalty for late filing of a renewal for a salesperson's license | 140 |
| For each change of name or address | 20 |
| For each transfer of a real estate salesperson's or broker-salesperson's license and change of association or employment | 20 |
| For each duplicate license where the original license is lost or destroyed, and an affidavit is made thereof | 20 |
| For each change of broker status from broker to broker-salesperson | 20 |
| For each change of broker status from broker-salesperson to broker | 40 |
| For each reinstatement to active status of an inactive real estate broker's, broker-salesperson's or salesperson's license | 20 |



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| 1 | For each reinstatement of a real estate broker's | |
| 2 | license when the licensee fails to give | |
| 3 | immediate written notice to the Division of a | |
| 4 | change of name or business location | \$30 |
| 5 | For each reinstatement of a real estate | |
| 6 | salesperson's or broker-salesperson's license | |
| 7 | when he or she fails to notify the Division of | |
| 8 | a change of broker within 30 days of | |
| 9 | termination by previous broker | 30 |
| 10 | For each original registration of an owner- | |
| 11 | developer | 125 |
| 12 | For each annual renewal of a registration of an | |
| 13 | owner-developer | 125 |
| 14 | For each enlargement of the area of an owner- | |
| 15 | developer's registration | 50 |
| 16 | For each cooperative certificate issued to an out- | |
| 17 | of-state broker licensee for 1 year or fraction | |
| 18 | thereof | 150 |
| 19 | For each original accreditation of a course of | |
| 20 | continuing education | 100 |
| 21 | For each renewal of accreditation of a course of | |
| 22 | continuing education | 50 |
| 23 | For each annual approval of a course of | |
| 24 | instruction offered in preparation for an | |
| 25 | original license or permit | 100 |

26
27 2. The fees prescribed by this section for courses of instruction
28 offered in preparation for an original license or permit or for courses
29 of continuing education do not apply to:

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

32 (b) Any agency of the State.

33 (c) Any regulatory agency of the Federal Government.

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

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



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Sec. 11. 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"]~~:

(a) *"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.

(b) *"Energy efficient mortgages" means mortgages which credit 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. 12. 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 or her knowledge and understanding of:

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



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(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 concerning each energy efficiency and conservation feature set forth in section 6 of this act.

Sec. 14. NRS 645C.450 is hereby amended to read as follows:

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

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|--|-------|
| Application for a certificate, license or registration card | \$100 |
| Issuance or renewal of a certificate or license as a residential appraiser | 290 |
| Issuance or renewal of a certificate as a general appraiser | 390 |
| Issuance of a permit | 115 |
| Issuance or renewal of a registration card | 190 |
| Issuance of a duplicate certificate or license for an additional office | 50 |
| Change in the name or location of a business | 20 |
| Reinstatement of an inactive certificate or license | 30 |



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|---|-------|
| Annual approval of a course of instruction offered in preparation for an initial certificate or license | \$100 |
| Original approval of a course of instruction offered for continuing education..... | 100 |
| Renewal of approval of a course of instruction offered for continuing education..... | 50 |

2. *The Division shall not charge and collect a fee for the original or renewal approval 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 instruction for continuing education.*

3. 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 certificate or license, including any costs which are necessary for the administration of such an examination.

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

Sec. 15. The Real Estate Commission, the Commissioner of Mortgage Lending, the Commission of Appraisers of Real Estate and the Real Estate Division of the Department of Business and Industry shall, on or before December 31, 2011, adopt any regulations which are necessary to carry out the provisions of this act.

Sec. 16. 1. This section becomes effective upon passage and approval.

2. Section 6 of this act becomes effective:

(a) Upon passage and approval for the purpose of taking any actions required by a real estate broker, real estate broker-salesperson or real estate salesperson to provide written information concerning energy efficiency and conservation specified in that section; and

(b) On October 1, 2011, for all other purposes.

3. Sections 9, 10, 11, 13, 14 and 15 of this act become effective upon passage and approval for the purpose of adopting regulations and on October 1, 2011, for all other purposes.

4. Sections 1 to 5, inclusive, 7, 8 and 12 of this act become effective on October 1, 2011.

