

SENATE BILL NO. 3—SENATOR SCHNEIDER

PREFILED DECEMBER 13, 2010

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Enacts provisions relating to energy efficiency, renewable energy and building construction. (BDR 54-5)

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
8 residences. **Section 3** of this bill requires a contractor who arranges financing for
9 the purchase of a single-family residence which is built by the contractor as part of
10 a development of 25 or more single-family residences to offer, or work with a
11 lender that offers, the option for the buyer to apply for an energy efficient
12 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.

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 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 the primary purpose of providing for the collection, storage and distribution of



1 solar energy for the production of hot water or air for space
2 heating or water heating; and

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

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

10 Sec. 3. 1. A contractor who:

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

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

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

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

34 Sec. 5. "Residential property" has the meaning ascribed to it
35 in NRS 113.100.

36 Sec. 6. A real estate broker, real estate broker-salesperson or
37 real estate salesperson shall provide, free of charge, to each party
38 to a real estate transaction written information which is available
39 publicly and which is designed to assist a person in the
40 identification, evaluation and selection of energy efficiency and
41 conservation features in residential property. The written
42 information must include, without limitation, information relating
43 to:

- 44 1. Appliances;
45 2. Building materials used in homes;



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. 7. 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 5 of this act* have the meanings ascribed to them in those sections.

Sec. 8. 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. 9. 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



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-salesperson 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-salesperson or real estate salesperson 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.*

5. Except as otherwise provided in this subsection, the license of a real estate broker, broker-salesperson or salesperson 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. 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



1	For real estate education, research and recovery to	
2	be paid at the time an application for an original	
3	license is filed	40
4	For real estate education, research and recovery to	
5	be paid at the time an application for renewal of	
6	a license is filed.....	80
7	For each renewal of a real estate broker's, broker-	
8	salesperson's or corporate broker's license	360
9	For each renewal of a real estate salesperson's	
10	license	280
11	For each renewal of a real estate branch office	
12	license	220
13	For each penalty for late filing of a renewal for a	
14	broker's, broker-salesperson's or corporate	
15	broker's license	180
16	For each penalty for late filing of a renewal for a	
17	salesperson's license	140
18	For each change of name or address	20
19	For each transfer of a real estate salesperson's or	
20	broker-salesperson's license and change of	
21	association or employment	20
22	For each duplicate license where the original license	
23	is lost or destroyed, and an affidavit is made	
24	thereof	20
25	For each change of broker status from broker to	
26	broker-salesperson	20
27	For each change of broker status from broker-	
28	salesperson to broker.....	40
29	For each reinstatement to active status of an inactive	
30	real estate broker's, broker-salesperson's or	
31	salesperson's license	20
32	For each reinstatement of a real estate broker's	
33	license when the licensee fails to give immediate	
34	written notice to the Division of a change of	
35	name or business location	30
36	For each reinstatement of a real estate salesperson's	
37	or broker-salesperson's license when he or she	
38	fails to notify the Division of a change of broker	
39	within 30 days of termination by previous broker	30
40	For each original registration of an owner-developer	125
41	For each annual renewal of a registration of an	
42	owner-developer	125
43	For each enlargement of the area of an owner-	
44	developer's registration.....	50



1	For each cooperative certificate issued to an out-of-	
2	state broker licensee for 1 year or fraction	
3	thereof	150
4	For each original accreditation of a course of	
5	continuing education.....	100
6	For each renewal of accreditation of a course of	
7	continuing education.....	50
8	For each annual approval of a course of instruction	
9	offered in preparation for an original license or	
10	permit	100

11

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

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

17 (b) Any agency of the State.

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

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

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

28 **Sec. 11.** NRS 645B.051 is hereby amended to read as follows:

29 645B.051 1. Except as otherwise provided in this section, in
30 addition to the requirements set forth in NRS 645B.050, to renew a
31 license as a mortgage broker:

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

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

43 2. The Commissioner may provide by regulation that if a
44 person attends more than 10 hours of certified courses of continuing
45 education during a 12-month period, the extra hours may be used to



1 satisfy the requirement for the immediately following 12-month
2 period and for that immediately following 12-month period only.

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

10 4. As used in this section ~~1, “certified”~~:

11 (a) *“Certified* course of continuing education” means a course
12 of continuing education which relates to the mortgage industry or
13 mortgage transactions and which meets the requirements set forth by
14 the Commissioner by regulation pursuant to NRS 645B.0138.

15 (b) *“Energy efficient mortgages” means mortgages which*
16 *credit the energy efficiency of a home in the mortgage by*
17 *providing borrowers with the opportunity to finance cost-effective*
18 *and energy-saving measures as part of a single mortgage and by*
19 *increasing debt-to-income qualifying ratios on loans.*

20 **Sec. 12.** NRS 645C.340 is hereby amended to read as follows:

21 645C.340 1. Each application for an examination for a
22 certificate or license must be accompanied by the fees established
23 by the Division pursuant to subsection ~~2~~ 3 of NRS 645C.450.

24 2. The examination must test the applicant on his or her
25 knowledge and understanding of:

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

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

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

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

34 645C.440 1. The Commission shall adopt regulations
35 governing the continuing education of certified or licensed
36 appraisers. The regulations must include the criteria for approving
37 each course and the requirements for submission of proof of
38 attendance at a course.

39 2. In approving courses for continuing education , the
40 Commission shall authorize a variety of subjects and give
41 consideration to specialized areas of practice and the availability of
42 programs. An appropriate educational course given by an accredited
43 university or community college must be approved by the
44 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:

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
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.



- 1 **Sec. 15.** 1. This section becomes effective upon passage and
2 approval.
3 2. Section 6 of this act becomes effective:
4 (a) Upon passage and approval for the purpose of taking any
5 actions required by a real estate broker, real estate broker-
6 salesperson or real estate salesperson to provide written information
7 concerning energy efficiency and conservation specified in that
8 section; and
9 (b) On October 1, 2011, for all other purposes.
10 3. Sections 9, 10, 11, 13 and 14 of this act become effective
11 upon passage and approval for the purpose of adopting regulations
12 and on October 1, 2011, for all other purposes.
13 4. Sections 1 to 5, inclusive, 7, 8 and 12 of this act become
14 effective on October 1, 2011.

