

SENATE BILL NO. 438—SENATOR FARLEY

MARCH 27, 2017

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to time shares.
(BDR 10-992)

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 time shares; authorizing a representative to associate with one or more developers; amending provisions relating to the licensing and registration of representatives; prohibiting a representative from engaging in certain acts related to inducing persons to attend a sales presentation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the registration and regulation of a “representative,” defined as a person who, on behalf of a developer of a time share, induces other persons to attend a sales presentation. (NRS 119A.120, 119A.240, 119A.260) Under existing law, such a representative is required to register with the Real Estate Division of the Department of Business and Industry. (NRS 119A.240) Each application for registration as a representative must include certain information and be accompanied by a fee of \$100. (NRS 119A.240, 119A.360)

Sections 1 and 2 of this bill authorize a representative to associate with one or more developers. **Section 2** further amends existing law governing the registration of a representative to require each application to include proof that the applicant operates at a fixed location, if the applicant is associated with more than one developer.

Existing law sets forth the prohibited acts of representatives. (NRS 119A.260) **Section 3** of this bill prohibits a representative from: (1) making any material misrepresentation; (2) making any false promises of a character likely to induce other persons to attend a promotional meeting; (3) engaging in any fraudulent, misleading or oppressive techniques or tactics to induce or solicit other persons to attend a promotional meeting; or (4) failing to disclose to a person the representative’s purpose to induce the person to attend a promotional meeting.



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

Section 1. NRS 119A.120 is hereby amended to read as follows:

119A.120 "Representative" means a person who is not a sales agent and who, on behalf of ~~1a developer,~~ *one or more developers*, induces other persons to attend a sales presentation. The term does not include a person who only performs clerical tasks, arranges appointments set up by others or prepares or distributes promotional materials.

Sec. 2. NRS 119A.240 is hereby amended to read as follows:

119A.240 1. The Administrator shall register as a representative each applicant who:

(a) Submits proof satisfactory to the Division that the applicant has a reputation for honesty, trustworthiness and competence;

(b) Applies for registration in the manner provided by the Division;

(c) Submits the statement required pursuant to NRS 119A.263; ~~and~~

(d) *Submits proof satisfactory to the Division that the applicant operates at a fixed location, if the applicant is associated with more than one developer; and*

(e) Pays the fees provided for in this chapter.

2. An application for registration as a representative must include the social security number of the applicant.

3. A representative is not required to be licensed pursuant to the provisions of chapter 645 of NRS.

Sec. 3. NRS 119A.260 is hereby amended to read as follows:

119A.260 1. A representative shall not negotiate the sale of, or discuss prices of, a time share. A representative may only induce and solicit persons to attend promotional meetings for the sale of time shares and distribute information on behalf of a developer ~~+~~ *with whom he or she is associated.*

2. The representative's activities must strictly conform to the methods for the procurement of prospective purchasers which have been approved by the Division.

3. The representative shall comply with any applicable standards for conducting business as are applied to real estate brokers and salespersons pursuant to chapter 645 of NRS and the regulations adopted pursuant thereto.

4. *A representative shall not:*

(a) *Make any material misrepresentation;*

(b) *Make any false promises of a character likely to induce other persons to attend a promotional meeting;*



1 (c) *Engage in any fraudulent, misleading or oppressive*
2 *techniques or tactics to induce or solicit other persons to attend a*
3 *promotional meeting; or*

4 (d) *Fail to disclose to a person the representative's purpose to*
5 *induce the person to attend a promotional meeting.*

6 5. A representative shall not make targeted solicitations of
7 purchasers or prospective purchasers of time shares in another
8 project with which the representative is not associated. A developer
9 or project broker shall not pay or offer to pay a representative a
10 bonus or other type of special compensation to engage in such
11 activity.

12 **Sec. 4.** This act becomes effective on July 1, 2017.

