

ASSEMBLY BILL NO. 438—COMMITTEE ON JUDICIARY

MARCH 25, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to time shares.  
(BDR 10-1094)

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; providing that a representative is subject to discipline for committing certain acts; providing that a representative may associate with, and receive compensation from, only one developer; prohibiting a representative from selling, trading or bartering prospects, leads, tours or customers with any other developer or with other representatives; 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) Additionally, existing law sets forth the prohibited acts of representatives. (NRS 119A.260)

**Section 1** of this bill authorizes the Administrator of the Real Estate Division of the Department of Business and Industry to impose a fine or suspend, revoke, reissue, subject to conditions, or deny the renewal of the registration of any representative if the representative: (1) has, by false or fraudulent application or representation, obtained a registration; or (2) whether or not acting as a representative, is found guilty of committing certain acts.

**Section 2** of this bill provides that a representative may associate with only one developer. **Section 5** of this bill provides that a representative may only induce and solicit persons to attend promotional meetings or presentations for the sale of timeshares and distribute information on behalf of the developer with whom the representative is associated. **Section 5** also provides that a representative: (1) may only receive compensation from the developer with whom the representative is associated; and (2) may not sell, trade or barter prospects, leads, tours or customers with any other developer or with other representatives.

**Sections 3 and 4** of this bill make conforming changes.



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

**Section 1.** Chapter 119A of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Administrator may impose a fine or suspend, revoke, reissue, subject to conditions, or deny the renewal of the registration of any representative issued pursuant to the provisions of this chapter at any time if the representative has, by false or fraudulent application or representation, obtained a registration or, whether or not acting as a representative, is found guilty of:*

*(a) Making any material misrepresentation;*

*(b) Making any false promises of a character likely to influence, persuade or induce another person to attend a promotional meeting or presentation for the sale of time shares;*

*(c) Engaging in any fraudulent, misleading or oppressive techniques or tactics to influence, persuade or induce another person to attend a promotional meeting or presentation for the sale of time shares;*

*(d) Influencing, persuading or inducing another person to attend a promotional meeting or presentation for the sale of time shares without disclosing that the promotional meeting or presentation for the sale of time shares concerns the sale of time shares;*

*(e) Engaging with a developer with whom the representative is not associated in any activity to influence, persuade or induce another person to attend a promotional meeting or presentation for the sale of time shares; or*

*(f) Engaging in any activity in which the representative receives compensation from a developer with whom the representative is not associated.*

*2. The Administrator may investigate the actions of any representative or any person who acts in such a capacity within the State of Nevada.*

**Sec. 2.** 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 ~~the~~ *one* developer, induces other persons to attend a ~~sales~~ presentation ~~for the sale of time shares~~. 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. 3.** NRS 119A.130 is hereby amended to read as follows:

119A.130 "Sales agent" means a person who, on behalf of a developer and under the direct supervision of a person licensed pursuant to the provisions of chapter 645 of NRS, sells or offers to



1 sell a time share to a purchaser or who, if he or she is not registered  
2 as a representative, may act to induce other persons to attend a  
3 ~~[sales]~~ presentation *for the sale of time shares* on the behalf of a  
4 developer.

5 **Sec. 4.** NRS 119A.240 is hereby amended to read as follows:

6 119A.240 1. The Administrator shall register as a  
7 representative each applicant who:

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

10 (b) *Identifies the developer with whom the applicant will be*  
11 *associated;*

12 (c) Applies for registration in the manner provided by the  
13 Division;

14 ~~[(e)]~~ (d) Submits the statement required pursuant to NRS  
15 119A.263; and

16 ~~[(d)]~~ (e) Pays the fees provided for in this chapter.

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

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

21 **Sec. 5.** NRS 119A.260 is hereby amended to read as follows:

22 119A.260 1. A representative shall not negotiate the sale of,  
23 or discuss prices of, a time share. A representative may only  
24 induce and solicit persons to attend promotional meetings *or*  
25 *presentations* for the sale of time shares and distribute information  
26 on behalf of ~~[(a)]~~ the developer ~~[(b)]~~ *with whom the representative is*  
27 *associated.*

28 2. *A representative may receive compensation for his or her*  
29 *activities only from the developer with whom the representative is*  
30 *associated. A representative shall not sell, trade or barter*  
31 *prospects, leads, tours or customers with any other developer or*  
32 *with other representatives.*

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

36 ~~[(3)]~~ 4. The representative shall comply with any applicable  
37 standards for conducting business as are applied to real estate  
38 brokers and salespersons pursuant to chapter 645 of NRS and the  
39 regulations adopted pursuant thereto.

40 ~~[(4)]~~ 5. A representative shall not make targeted solicitations of  
41 purchasers or prospective purchasers of time shares in another  
42 project with which the representative is not associated. A developer  
43 ~~[(or)]~~, project broker *or sales agent* shall not pay or offer to pay a  
44 representative, *and a representative shall not pay or offer to pay*



- 1 *another representative*, a bonus or other type of special
- 2 compensation to engage in such activity.

