

(Reprinted with amendments adopted on April 19, 2019)

FIRST REPRINT

S.B. 230

SENATE BILL NO. 230—SENATOR DENIS

FEBRUARY 18, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to certain real estate professions. (BDR 54-311)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to real estate; revising provisions relating to advertisements by real estate licensees; revising educational requirements which must be satisfied by an applicant for licensure as a real estate salesperson, real estate broker or real estate broker-salesperson; revising provisions governing the maintenance of certain licenses by real estate brokers and owner-developers; revising provisions governing certain regulations of the Real Estate Commission relating to the curriculum and subject matter of continuing education; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth certain requirements for advertisements by persons who are licensed by the Real Estate Division of the Department of Business and Industry (NRS 645.315) **Section 1** of this bill: (1) requires a licensee to include his or her license number in any such advertisement; and (2) requires the Real Estate Commission to establish by regulation the conditions and limitations under which a licensee may advertise under a nickname.

Existing law sets forth certain educational requirements which must be satisfied by an applicant for licensure as a real estate salesperson, real estate broker or real estate broker-salesperson. (NRS 645.343) **Section 3.5** of this bill: (1) establishes a minimum number of total hours of instruction which must be included in a course of instruction for licensure as a real estate salesperson; and (2) requires an applicant for licensure as a real estate salesperson, real estate broker or real estate broker-salesperson to complete a minimum number of hours of instruction on agency and the preparation of contracts for real estate transactions. Under **section 6.5** of this bill, these requirements apply only to a person who submits an application for licensure to the Real Estate Division on or after July 1, 2019.



* S B 2 3 0 R 1 *

Existing law requires a real estate broker or owner-developer to prominently display in his or her place of business the licenses of all real estate broker-salespersons and real estate salespersons who are associated with the broker or employed by the owner-developer, as applicable. (NRS 645.530) **Section 4** of this bill eliminates that requirement and instead requires the licenses to be kept in a secure manner and, upon request, made available for inspection by the public and the Real Estate Division during usual business hours.

Existing law authorizes the Real Estate Commission to establish by regulation a postlicensing curriculum of continuing education which must be completed by a person within the first year immediately after initial licensing of the person. (NRS 645.575) **Section 5** of this bill: (1) requires the Commission to adopt regulations which require a minimum of 36 hours of continuing education, set forth certain subject matter in continuing education which must be completed by certain licensees and provide for an exemption from such subject matter requirements for a person who is 70 years of age or older and who has been licensed in good standing as a real estate broker, real estate broker-salesperson or real estate salesperson in this State for 30 years or more; (2) requires the postlicensing curriculum to be completed within the first year immediately after the initial license period rather than the first year immediately after initial licensing; (3) requires the regulations adopted by the Commission to establish the postlicensing curriculum to set forth the period within which each module of the postlicensing curriculum is required to be completed; and (4) authorizes the Commission to establish a different period within which each module of the postlicensing curriculum is required to be completed and authorizes such a period to be less than 1 year.

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

Section 1. NRS 645.315 is hereby amended to read as follows:
645.315 1. In any advertisement through which a licensee offers to perform services for which a license is required pursuant to this chapter, the licensee shall ~~§~~ ***include his or her license number and:***

(a) If the licensee is a real estate broker, disclose the name of any brokerage under which the licensee does business; or

(b) If the licensee is a real estate broker-salesperson or real estate salesperson, disclose the name of the brokerage with whom the licensee is associated.

2. If a licensee is a real estate broker-salesperson or real estate salesperson, the licensee shall not advertise solely under the licensee's own name when acting in the capacity as a broker-salesperson or salesperson. All such advertising must be done under the direct supervision of and in the name of the brokerage with whom the licensee is associated.

3. The Commission shall by regulation establish the conditions and limitations under which a licensee may advertise under a nickname.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)



Sec. 3.5. NRS 645.343 is hereby amended to read as follows:

645.343 1. In addition to the other requirements contained in this chapter, an applicant for an original real estate salesperson's license must furnish proof satisfactory to the Real Estate Division that the applicant has successfully completed a course of instruction *which consists of not less than 120 hours of instruction* in the principles, practices, procedures, law and ethics of real estate, which course may be an extension or correspondence course offered by the Nevada System of Higher Education, by any other accredited college or university or by any other college or school approved by the Commission. The course of instruction must include ~~the~~ :

(a) *The* subject of disclosure of required information in real estate transactions, including instruction on methods a seller may use to obtain the required information ~~;~~ ;

(b) *Not less than 15 hours of instruction in the preparation of contracts in real estate transactions to the extent allowed in the capacity of a licensee; and*

(c) *Not less than 15 hours of instruction on agency.*

2. An applicant for an original real estate broker's or broker-salesperson's license must furnish proof satisfactory to the Real Estate Division that the applicant has successfully completed : ~~four semester units or the equivalent in quarter units of college level courses which include:~~

(a) Three semester units or an equivalent number of quarter units in real estate law, including at least 18 classroom hours of the real estate law of Nevada ~~and another course of equal length~~ ;

(b) *Three semester units or an equivalent number of quarter units* in the principles of real estate;

~~(b)~~ (c) Nine semester units or the equivalent in quarter units of college level courses in real estate appraisal and business or economics;

~~(c)~~ (d) Nine semester units or the equivalent in quarter units of college level courses in real estate, business or economics; ~~and~~

~~(d)~~ (e) Three semester units or an equivalent number of quarter units in broker management ~~;~~ ;

(f) *Not less than one semester unit or an equivalent number of quarter units of instruction in the preparation of contracts in real estate transactions to the extent allowed in the capacity of a licensee; and*

(g) *Not less than one semester unit or an equivalent number of quarter units of instruction on agency.*

3. On and after January 1, 1986, in addition to other requirements contained in this chapter, an applicant for an original real estate broker's or broker-salesperson's license must furnish proof satisfactory to the Real Estate Division that the applicant has



completed 64 semester units or the equivalent in quarter units of college level courses. This educational requirement includes and is not in addition to the requirements listed in subsection 2.

4. For the purposes of this section, each person who holds a license as a real estate broker, broker-salesperson or salesperson, or an equivalent license, issued by a state or territory of the United States, or the District of Columbia, is entitled to receive credit for the equivalent of 16 semester units of college level courses for each 2 years of active experience that, during the immediately preceding 10 years, the person has obtained while he or she has held such a license, not to exceed 8 years of active experience. This credit may not be applied against the requirement in subsection 2 for three semester units or an equivalent number of quarter units in broker management or 18 classroom hours of the real estate law of Nevada.

5. An applicant for a broker's license pursuant to NRS 645.350 must meet the educational prerequisites applicable on the date his or her application is received by the Real Estate Division.

6. As used in this section, "college level courses" are courses offered by any accredited college or university or by any other institution which meet the standards of education established by the Commission. The Commission may adopt regulations setting forth standards of education which are equivalent to the college level courses outlined in this subsection. The regulations may take into account the standard of instructors, the scope and content of the instruction, hours of instruction and such other criteria as the Commission requires.

Sec. 4. NRS 645.530 is hereby amended to read as follows:

645.530 1. The license of each real estate broker-salesperson or salesperson must be delivered or mailed to the real estate broker with whom the licensee is associated or to the owner-developer by whom the licensee is employed and must be kept in the custody and control of the broker or owner-developer.

2. Each real estate broker shall:

(a) Display his or her license conspicuously in the broker's place of business. If a real estate broker maintains more than one place of business within the State, an additional license must be issued to the broker for each branch office so maintained by the broker, and the additional license must be displayed conspicuously in each branch office.

(b) ~~Prominently display~~ **Maintain** in his or her place of business the licenses of all real estate broker-salespersons and salespersons associated with him or her therein or in connection therewith. ***The licenses must be kept in a secure manner and, upon request, made available for inspection by the public and the Division during usual business hours.***



3. Each owner-developer shall ~~{prominently display}~~ *maintain* in his or her place of business the license of each real estate broker-salesperson and salesperson employed by him or her. *The licenses must be kept in a secure manner and, upon request, made available for inspection by the public and the Division during usual business hours.*

Sec. 5. 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}~~ :

(a) *Require a minimum of 36 hours of continuing education; and*

(b) *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,}~~ :

(a) *Shall, without limitation, adopt by regulation standards for continuing education that set forth certain mandatory subject matter which must be completed by every person who is licensed as a real estate broker, real estate broker-salesperson or real estate salesperson. Standards which are adopted pursuant to this section must authorize a person who is 70 years of age or older to apply to the Division for an exemption from any requirement to complete continuing education other than the mandatory subject matter which is set forth in regulations adopted pursuant to this paragraph if the person has been licensed in good standing as a real estate broker, real estate broker-salesperson or real estate salesperson in this State for 30 years or longer at the time of his or her application for an exemption.*

(b) *May*, without limitation, adopt by regulation standards for continuing education that:



~~1 (a) (1)~~ Establish a postlicensing curriculum of continuing
2 education which must be completed by a person within the first year
3 immediately after ~~the~~ initial ~~licensing of the person.~~

~~4 —(b) license period. The regulations adopted pursuant to this~~
5 ~~paragraph must set forth the period within which the person must~~
6 ~~complete each module of the postlicensing curriculum and may~~
7 ~~establish different periods within which each module of the~~
8 ~~postlicensing curriculum must be completed including, without~~
9 ~~limitation, a period of less than 1 year.~~

10 (2) Require a person whose license as a real estate broker or
11 real estate broker-salesperson has been placed on inactive status for
12 any reason for 1 year or more or has been suspended or revoked to
13 complete a course of instruction in broker management that is
14 designed to fulfill the educational requirements for issuance of a
15 license which are described in paragraph ~~(a)~~ (e) of subsection 2 of
16 NRS 645.343, before the person's license is reissued or reinstated.

17 4. Except as otherwise provided in this subsection ~~and~~
18 ~~regulations adopted pursuant to paragraph (a) of subsection 3~~, the
19 license of a real estate broker, broker-salesperson or salesperson
20 must not be renewed or reinstated unless the Administrator finds
21 that the applicant for the renewal license or for reinstatement to
22 active status has completed the continuing education required by
23 this chapter. Any amendment or repeal of a regulation does not
24 operate to prevent an applicant from complying with this section for
25 the next licensing period following the amendment or repeal.

26 **Sec. 6.** (Deleted by amendment.)

27 **Sec. 6.5.** The amendatory provisions of section 3.5 of this act
28 apply only to an applicant who submits an application for licensure
29 to the Real Estate Division of the Department of Business and
30 Industry on or after July 1, 2019.

31 **Sec. 7.** This act becomes effective on July 1, 2019.

