

Assembly Bill No. 258—Assemblymembers Moore;
Kasama and La Rue Hatch

CHAPTER.....

AN ACT relating to real estate; requiring brokerage agreements to be in writing; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the licensure and regulation of real estate brokers, real estate broker-salespersons and real estate salespersons by the Real Estate Division of the Department of Business and Industry. (Chapter 645 of NRS) Existing law defines “brokerage agreement” to mean an oral or written contract between a client and a broker in which the broker agrees to accept valuable consideration from the client for assisting, soliciting or negotiating the sale, purchase, option, rental or lease of real property, or the sale, exchange, option or purchase of a business. (NRS 645.005) Existing law imposes various requirements relating to such brokerage agreements, including, without limitation, requirements concerning: (1) the duties of a licensee who has entered into a brokerage agreement to represent a client in a real estate transaction; (2) the delivery of a copy of a brokerage agreement to a client; and (3) the form and contents of a brokerage agreement which includes a provision for exclusive representation. (NRS 645.254, 645.300, 645.320) **Section 2** of this bill revises the definition of “brokerage agreement” to remove provisions which provide that an oral contract may constitute a brokerage agreement, thereby requiring a brokerage agreement to be in writing.

Sections 1, 3 and 5 of this bill revise references to written brokerage agreements to reflect that, under **section 2**, a contract is required to be in writing to constitute a brokerage agreement. **Section 4** of this bill similarly eliminates a requirement that certain brokerage agreements be in writing which is made redundant by **section 2**.

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

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

Section 1. NRS 624.031 is hereby amended to read as follows:
624.031 The provisions of this chapter do not apply to:

1. Work performed exclusively by an authorized representative of the United States Government, the State of Nevada, or an incorporated city, county, irrigation district, reclamation district, or other municipal or political corporation or subdivision of this State.

2. Any entity that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), which:

(a) Enters into a contract or other agreement with the State of Nevada, or an incorporated city, county, irrigation district, reclamation district, or other municipal or political corporation or



subdivision of this State, to facilitate the repair or maintenance of properties, including, without limitation, weatherization and energy efficiency services;

(b) Facilitates work to be performed on such a property by a person licensed pursuant to this chapter; and

(c) Is a party with the owner of such a property and a person licensed pursuant to this chapter to a contract or agreement for the work on the property.

3. An officer of a court when acting within the scope of his or her office.

4. Work performed exclusively by a public utility operating pursuant to the regulations of the Public Utilities Commission of Nevada on construction, maintenance and development work incidental to its business.

5. An owner of property who is building or improving a residential structure on the property for his or her own occupancy and not intended for sale or lease. The sale or lease, or the offering for sale or lease, of the newly built structure within 1 year after its completion creates a rebuttable presumption for the purposes of this section that the building of the structure was performed with the intent to sell or lease that structure. An owner of property who requests an exemption pursuant to this subsection must apply to the Board for the exemption. The Board shall adopt regulations setting forth the requirements for granting the exemption.

6. Any work to repair or maintain property the value of which is less than \$1,000, including labor and materials, unless:

(a) A building permit is required to perform the work;

(b) The work is of a type performed by a plumbing, electrical, refrigeration, heating or air-conditioning contractor;

(c) The work is of a type performed by a contractor licensed in a classification prescribed by the Board that significantly affects the health, safety and welfare of members of the general public;

(d) The work is performed as a part of a larger project:

(1) The value of which is \$500 or more; or

(2) For which contracts of less than \$500 have been awarded to evade the provisions of this chapter; or

(e) The work is performed by a person who is licensed pursuant to this chapter or by an employee of that person.

7. The sale or installation of any finished product, material or article of merchandise which is not fabricated into and does not become a permanent fixed part of the structure.

8. The construction, alteration, improvement or repair of personal property.



9. The construction, alteration, improvement or repair financed in whole or in part by the Federal Government and conducted within the limits and boundaries of a site or reservation, the title of which rests in the Federal Government.

10. An owner of property, the primary use of which is as an agricultural or farming enterprise, building or improving a structure on the property for his or her use or occupancy and not intended for sale or lease.

11. Construction oversight services provided to a long-term recovery group by a qualified person within a particular geographic area that is described in a proclamation of a state of emergency or declaration of disaster by the State or Federal Government, including, without limitation, pursuant to NRS 414.070. A long-term recovery group may reimburse such reasonable expenses as the qualified person incurs in providing construction oversight services to that group. Except as otherwise provided in this subsection, nothing in this subsection authorizes a person who is not a licensed contractor to perform the acts described in paragraphs (a) and (b) of subsection 1 of NRS 624.700. As used in this subsection:

(a) “Construction oversight services” means the coordination and oversight of labor by volunteers.

(b) “Long-term recovery group” means a formal group of volunteers coordinating response and recovery efforts related to a state of emergency or disaster that is proclaimed or declared by the State or Federal Government.

(c) “Qualified person” means a person who possesses the abilities, education, experience, knowledge, skills and training that a long-term recovery group has identified as being necessary to provide construction oversight services for a project to be performed by that group.

12. A person licensed as a real estate broker, real estate broker-salesperson or real estate salesperson pursuant to chapter 645 of NRS who, acting within the scope of the license or a permit to engage in property management issued pursuant to NRS 645.6052, assists a client in scheduling work to repair or maintain residential property pursuant to a ~~written~~ brokerage agreement or a property management agreement. Such assistance includes, without limitation, assisting a client in the hiring of any number of licensed contractors to perform the work. Nothing in this subsection authorizes the performance of any work for which a license is required pursuant to this chapter by a person who is not licensed pursuant to this chapter or the payment of any additional compensation to a person licensed as a real estate broker, real estate



broker-salesperson or real estate salesperson for assisting a client in scheduling the work. The provisions of this subsection apply only if a building permit is not required to perform the work and if the value of the work does not exceed \$10,000 per residential property during the fixed term of the ~~{written}~~ brokerage agreement, if the assistance is provided pursuant to such an agreement, or during a period not to exceed 6 months if the assistance is provided pursuant to a property management agreement. As used in this subsection:

(a) “Brokerage agreement” has the meaning ascribed to it in NRS 645.005.

(b) “Property management agreement” has the meaning ascribed to it in NRS 645.0192.

(c) “Real estate broker” has the meaning ascribed to it in NRS 645.030.

(d) “Real estate broker-salesperson” has the meaning ascribed to it in NRS 645.035.

(e) “Real estate salesperson” has the meaning ascribed to it in NRS 645.040.

(f) “Residential property” means:

(1) Improved real estate that consists of not more than four residential units; or

(2) A single-family residential unit, including a condominium, townhouse or home within a subdivision, if the unit is sold, leased or otherwise conveyed unit by unit, regardless of whether the unit is part of a larger building or parcel that consists of more than four units.

Sec. 2. NRS 645.005 is hereby amended to read as follows:

645.005 “Brokerage agreement” means ~~{an oral or}~~ a written contract between a client and a broker in which the broker agrees to accept valuable consideration from the client or another person for assisting, soliciting or negotiating the sale, purchase, option, rental or lease of real property, or the sale, exchange, option or purchase of a business. The term does not include a property management agreement.

Sec. 3. NRS 645.300 is hereby amended to read as follows:

645.300 When a licensee prepares or has prepared a ~~{written}~~ brokerage agreement authorizing or employing the licensee to purchase or sell real estate for compensation or commission, the licensee shall deliver a copy of the ~~{written}~~ brokerage agreement to the client signing it at the time the signature is obtained, if possible, or otherwise within a reasonable time thereafter. Receipt for the copy may be made on the face of the ~~{written}~~ brokerage agreement.



Sec. 4. NRS 645.320 is hereby amended to read as follows:
645.320 Every brokerage agreement which includes a provision for an exclusive agency representation must:

1. ~~{Be in writing.~~
~~—2.}~~ Have set forth in its terms a definite, specified and complete termination.

~~{3.}~~ 2. Contain no provision which requires the client who signs the brokerage agreement to notify the real estate broker of the client's intention to cancel the exclusive features of the brokerage agreement after the termination of the brokerage agreement.

~~{4.}~~ 3. Be signed by both the client or his or her authorized representative and the broker or his or her authorized representative in order to be enforceable.

Sec. 5. NRS 645.633 is hereby amended to read as follows:

645.633 1. The Commission may take action pursuant to NRS 645.630 against any person subject to that section who is guilty of any of the following acts:

(a) Willfully using any trade name, service mark or insignie of membership in any real estate organization of which the licensee is not a member, without the legal right to do so.

(b) Violating any order of the Commission, any agreement with the Division, any of the provisions of this chapter, chapter 116, 119, 119A, 119B, 645A or 645C of NRS or any regulation adopted pursuant thereto.

(c) Paying a commission, compensation or a finder's fee to any person for performing the services of a broker, broker-salesperson or salesperson who has not secured a license pursuant to this chapter. This subsection does not apply to payments to a broker who is licensed in his or her state of residence.

(d) A conviction of, or the entry of a plea of guilty, guilty but mentally ill or nolo contendere to:

(1) A felony relating to the practice of the licensee, property manager or owner-developer; or

(2) Any crime involving fraud, deceit, misrepresentation or moral turpitude.

(e) Guaranteeing, or having authorized or permitted any person to guarantee, future profits which may result from the resale of real property.

(f) Failure to include a fixed date of expiration in any ~~{written}~~ brokerage agreement or failure to leave a copy of such a brokerage agreement or any property management agreement with the client.

(g) Accepting, giving or charging any undisclosed commission, rebate or direct profit on expenditures made for a client.



(h) Gross negligence or incompetence in performing any act for which the person is required to hold a license pursuant to this chapter, chapter 119, 119A or 119B of NRS.

(i) Any other conduct which constitutes deceitful, fraudulent or dishonest dealing.

(j) Any conduct which took place before the person became licensed which was in fact unknown to the Division and which would have been grounds for denial of a license had the Division been aware of the conduct.

(k) Knowingly permitting any person whose license has been revoked or suspended to act as a real estate broker, broker-salesperson or salesperson, with or on behalf of the licensee.

(l) Recording or causing to be recorded a claim pursuant to the provisions of NRS 645.8701 to 645.8811, inclusive, that is determined by a district court to be frivolous and made without reasonable cause pursuant to NRS 645.8791.

2. The Commission may take action pursuant to NRS 645.630 against a person who is subject to that section for the suspension or revocation of a real estate broker's, broker-salesperson's or salesperson's license issued by any other jurisdiction.

3. The Commission may take action pursuant to NRS 645.630 against any person who:

(a) Holds a permit to engage in property management issued pursuant to NRS 645.6052; and

(b) In connection with any property for which the person has obtained a property management agreement pursuant to NRS 645.6056:

(1) Is convicted of violating any of the provisions of NRS 202.470;

(2) Has been notified in writing by the appropriate governmental agency of a potential violation of NRS 244.360, 244.3603 or 268.4124, and has failed to inform the owner of the property of such notification; or

(3) Has been directed in writing by the owner of the property to correct a potential violation of NRS 244.360, 244.3603 or 268.4124, and has failed to correct the potential violation, if such corrective action is within the scope of the person's duties pursuant to the property management agreement.

4. The Division shall maintain a log of any complaints that it receives relating to activities for which the Commission may take action against a person holding a permit to engage in property management pursuant to subsection 3.



Sec. 6. The amendatory provisions of this act apply to any brokerage agreement, as defined in NRS 645.005, as amended by section 2 of this act, entered into on or after October 1, 2025.

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