

SENATE BILL NO. 288—SENATOR HAMMOND

MARCH 15, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to real estate. (BDR 54-931)

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 real estate; revising provisions governing the financial administration of the Real Estate Commission, the Commission of Appraisers of Real Estate and the Real Estate Division of the Department of Business and Industry; revising provisions governing the Real Estate Education, Research and Recovery Fund; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires certain administrative fines, fees, penalties and charges that are collected by the Real Estate Commission, the Commission of Appraisers of Real Estate and the Real Estate Division of the Department of Business and Industry to be deposited in the State General Fund. Under existing law, the Real Estate Division is required to charge and collect various fees for licenses, certificates, permits and registrations. (NRS 119.320, 119A.360, 645.830, 645C.450, 645C.680, 645D.240, 645H.530, 645H.540, 645H.560) Any money required for the support of the Division must be provided by direct legislative appropriation. (NRS 119.118, 645.140, 645C.240, 645D.140, 645H.350) **Section 1** of this bill creates the Account for Real Estate Administration in the State General Fund to defray the costs and expenses of the Division in carrying out its duties. **Section 1** also requires that: (1) the interest and income earned on the money in the Account must be credited to the Account; and (2) any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund and must be carried forward to the next fiscal year. **Sections 2, 5-8 and 10** of this bill require, with certain exceptions, that money collected by the Real Estate Commission, the Commission of Appraisers of Real Estate and the Division must be credited to the Account and used to defray the costs and expenses of the Division pursuant to **section 1**. **Sections 3 and 9** of this bill make conforming changes relating to the deposit and authorized use of certain money received and collected by the Division.



22 Existing law: (1) requires that a balance of not less than \$300,000 be
 23 maintained in the Real Estate Education, Research and Recovery Fund to be used
 24 for satisfying claims against certain persons licensed by the Division; and (2)
 25 prescribes certain authorized uses for any balance over \$300,000 remaining in the
 26 Fund at the end of any fiscal year. (NRS 645.842) **Section 4** of this bill reduces
 27 from \$300,000 to \$100,000 the minimum balance that is required to be maintained
 28 in the Fund. **Section 4** also requires the Real Estate Administrator of the Division to
 29 transfer any amount in excess of \$100,000 at the end of each fiscal year to the
 30 Account for Real Estate Administration.

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

1 **Section 1.** Chapter 645 of NRS is hereby amended by adding
 2 thereto a new section to read as follows:

3 *1. The Account for Real Estate Administration is hereby*
 4 *created in the State General Fund. The Administrator shall*
 5 *administer the Account.*

6 *2. The interest and income earned on the money in the*
 7 *Account, after deducting any applicable charges, must be credited*
 8 *to the Account. Any money remaining in the Account at the end of*
 9 *the fiscal year does not revert to the State General Fund, and the*
 10 *balance in the Account must be carried forward to the next fiscal*
 11 *year.*

12 *3. The money in the Account must be used to defray the costs*
 13 *and expenses incurred by the Division in carrying out the*
 14 *provisions of this chapter and chapters 119, 119A, 645C, 645D*
 15 *and 645H of NRS.*

16 *4. All claims against the Account must be paid as other*
 17 *claims against the State are paid.*

18 **Sec. 2.** NRS 645.140 is hereby amended to read as follows:
 19 645.140 1. Except as otherwise provided in this section and
 20 NRS 645.142, *645.314, 645.843 and 645.848,* all ~~fees, penalties~~
 21 ~~and charges~~ *money* received by the *Commission or* Division
 22 pursuant to ~~NRS 645.410, 645.660 and 645.830~~ *this chapter* must
 23 be deposited with the State Treasurer for credit to the ~~State General~~
 24 ~~Fund.~~ *Account for Real Estate Administration created by section*
 25 *1 of this act and accounted for separately to provide the money*
 26 *authorized for expenditure by the Division to carry out the*
 27 *provisions of this chapter.*

28 2. The ~~fees received by the Division:~~
 29 ~~—(a) From the sale of publications must be retained by the~~
 30 ~~Division to pay the costs of printing and distributing publications.~~
 31 ~~—(b) For examinations must be retained by the Division to pay the~~
 32 ~~costs of the administration of examinations.~~



1 ~~→ Any surplus of the fees retained by the Division for the~~
2 ~~administration of examinations must be deposited with the State~~
3 ~~Treasurer for credit to the State General Fund.~~

4 ~~—3.— Money for the support of the Division must be provided by~~
5 ~~direct legislative appropriation, and be paid out on claims as other~~
6 ~~claims against the State are paid.~~

7 ~~—4.] Commission and Division shall deposit any money collected~~
8 ~~from the imposition of any administrative fine or penalty pursuant~~
9 ~~to this chapter with the State Treasurer for credit to the State~~
10 ~~General Fund. The Commission or Division may present a claim~~
11 ~~to the State Board of Examiners for recommendation to the~~
12 ~~Interim Finance Committee if money is required to pay attorney's~~
13 ~~fees or the costs of an investigation, or both.~~

14 3. Each member of the Commission is entitled to receive:

15 (a) A salary of not more than \$150 per day, as fixed by the
16 Commission, while engaged in the business of the Commission; and

17 (b) A per diem allowance and travel expenses at a rate fixed by
18 the Commission, while engaged in the business of the Commission.
19 The rate must not exceed the rate provided for state officers and
20 employees generally.

21 ~~[5.]~~ 4. While engaged in the business of the Commission, each
22 employee of the Commission is entitled to receive a per diem
23 allowance and travel expenses at a rate fixed by the Commission.
24 The rate must not exceed the rate provided for state officers and
25 employees generally.

26 **Sec. 3.** NRS 645.6058 is hereby amended to read as follows:

27 645.6058 ~~[1.— Except as otherwise provided in subsection 3,~~
28 ~~all fees, penalties and fines received by the Division pursuant to the~~
29 ~~provisions of NRS 645.6052 to 645.6058, inclusive, must be~~
30 ~~deposited with the State Treasurer for credit to the Division. The~~
31 ~~money must be used by the Division for the administration of the~~
32 ~~provisions of NRS 645.6052 to 645.6058, inclusive.~~

33 ~~—2.] The Division may delegate to a hearing officer or panel its~~
34 ~~authority to take any disciplinary action against property managers~~
35 ~~[.] and impose and collect fines pursuant to the disciplinary action .~~
36 ~~[and deposit the money with the State Treasurer for credit to the~~
37 ~~Division.~~

38 ~~—3.— If a hearing officer or panel is not authorized to take~~
39 ~~disciplinary action pursuant to subsection 2, the Division shall~~
40 ~~deposit the money collected from the imposition of penalties and~~
41 ~~fines collected from property managers with the State Treasurer for~~
42 ~~credit to the State General Fund. The Division may present a claim~~
43 ~~to the State Board of Examiners for recommendation to the Interim~~
44 ~~Finance Committee if money is needed to pay an attorney's fee or~~
45 ~~the costs of an investigation, or both.]~~



Sec. 4. NRS 645.842 is hereby amended to read as follows:

645.842 1. The Real Estate Education, Research and Recovery Fund is hereby created as a special revenue fund.

2. A balance of not less than ~~[\$300,000]~~ *\$100,000* must be maintained in the Fund, to be used for satisfying claims against persons licensed under this chapter, as provided in NRS 645.841 to 645.8494, inclusive. ~~[Any balance over \$300,000 remaining]~~

3. *At the end of each fiscal year, the Administrator shall transfer any amount in excess of \$100,000 in the Fund [at the end of any fiscal year must be set aside and used:*

~~—(a) By the Administrator, after approval of the Commission, for real estate education and research; or~~

~~—(b) For any other purpose authorized by the Legislature.~~

~~—3.] to the Account for Real Estate Administration created by section 1 of this act.~~

4. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.

5. *Any money remaining in the Fund at the end of the fiscal year, does not revert to the State General Fund and the balance in the Fund after the transfer made pursuant to subsection 3 must be carried forward to the next fiscal year.*

Sec. 5. NRS 645C.240 is hereby amended to read as follows:

645C.240 1. Except as otherwise provided in ~~[subsections 2 and] subsection 3~~ and NRS 645C.245, all ~~[fees, penalties and other charges] money~~ received by the *Commission or* Division pursuant to this chapter must be deposited with the State Treasurer for credit to the ~~[State General Fund.] Account for Real Estate Administration created by section 1 of this act and accounted for separately to provide the money authorized for expenditure by the Division to carry out the provisions of this chapter.~~

2. ~~[Fees received by the Division:~~

~~—(a) From the sale of publications must be retained by the Division to pay the costs of printing and distributing publications.~~

~~—(b) For examinations must be retained by the Division to pay the costs of the administration of examinations.~~

~~→ Any surplus of the fees retained by the Division for the administration of examinations must be deposited with the State Treasurer for credit to the State General Fund.~~

~~—3.]~~ The portion of the fees collected by the Division pursuant to NRS 645C.450 and 645C.680 for the issuance or renewal of a certificate or license as a residential appraiser, the issuance or renewal of a certificate as a general appraiser or the issuance or renewal of a registration as an appraisal management company which is used for payment of the annual registry fee to the Federal



1 Financial Institutions Examination Council or the Appraisal
2 Subcommittee pursuant to 12 U.S.C. § 3338, must be ~~retained by~~
3 ~~the Division~~ *accounted for separately in the Account and used*
4 *only* for payment to the Federal Financial Institutions Examination
5 Council or the Appraisal Subcommittee on an annual basis.

6 ~~[4.— Money for the support of the Division in carrying out the~~
7 ~~provisions of this chapter must be provided by direct legislative~~
8 ~~appropriation and be paid out on claims as other claims against the~~
9 ~~State are paid.]~~

10 *3. The Commission and Division shall deposit any money*
11 *collected from the imposition of any administrative fine or penalty*
12 *pursuant to this chapter with the State Treasurer for credit to the*
13 *State General Fund. The Commission or Division may present a*
14 *claim to the State Board of Examiners for recommendation to the*
15 *Interim Finance Committee if money is required to pay attorney’s*
16 *fees or the costs of an investigation, or both.*

17 **Sec. 6.** NRS 645D.140 is hereby amended to read as follows:

18 645D.140 1. Except as otherwise provided in *subsection 2*
19 *and* NRS 645D.145, all ~~[fees, penalties and other charges]~~ *money*
20 received by the *Real Estate Commission or the* Division pursuant to
21 this chapter must be deposited with the State Treasurer for credit to
22 the ~~[State General Fund.]~~ *Account for Real Estate Administration*
23 *created by section 1 of this act and accounted for separately to*
24 *provide the money authorized for expenditure by the Division to*
25 *carry out the provisions of this chapter.*

26 2. ~~[Money for the support of the Division in carrying out the~~
27 ~~provisions of this chapter must be provided by direct legislative~~
28 ~~appropriation and be paid out on claims as other claims against the~~
29 ~~State are paid.]~~

30 ~~—3.]~~ The Real Estate Commission and the Division shall deposit
31 any money collected from the imposition of any administrative fine
32 or penalty pursuant to this chapter with the State Treasurer for credit
33 to the State General Fund. The Real Estate Commission or Division
34 may present a claim to the State Board of Examiners for
35 recommendation to the Interim Finance Committee if money is
36 required to pay attorney’s fees or the costs of an investigation, or
37 both.

38 **Sec. 7.** NRS 645H.350 is hereby amended to read as follows:

39 645H.350 1. Except as otherwise provided in *subsection 2*
40 *and* NRS 645H.365, all ~~[fees and administrative fines]~~ *money*
41 received by the Division pursuant to this chapter must be deposited
42 with the State Treasurer for credit to the ~~[State General Fund.]~~
43 *Account for Real Estate Administration created by section 1 of this*
44 *act and accounted for separately to provide the money authorized*



1 *for expenditure by the Division to carry out the provisions of this*
2 *chapter.*

3 2. ~~Money for the support of the Division in carrying out the~~
4 ~~provisions of this chapter must be provided by direct legislative~~
5 ~~appropriation and be paid out on claims as other claims against the~~
6 ~~State are paid.]~~ *The Division shall deposit any money collected*
7 *from the imposition of any administrative fine or penalty pursuant*
8 *to this chapter with the State Treasurer for credit to the State*
9 *General Fund. The Division may present a claim to the State*
10 *Board of Examiners for recommendation to the Interim Finance*
11 *Committee if money is required to pay attorney's fees or the costs*
12 *of an investigation, or both.*

13 **Sec. 8.** NRS 119.118 is hereby amended to read as follows:

14 119.118 1. Except as otherwise provided in ~~paragraph (b)~~
15 ~~of~~ subsection ~~1 of~~ 2 and NRS ~~119.320.~~ 119.150, all ~~fees and~~
16 ~~charges] money~~ received by the Division ~~shall~~ pursuant to this
17 ~~chapter must be deposited in] with the State Treasurer for credit~~
18 ~~to the General Fund in the State Treasury. Funds for the support of~~
19 ~~the Division shall be provided by direct legislative appropriation,~~
20 ~~and shall be paid out on claims as other claims against the State are~~
21 ~~paid.]~~ *Account for Real Estate Administration created by section 1*
22 *of this act and accounted for separately to provide the money*
23 *authorized for expenditure by the Division to carry out the*
24 *provisions of this chapter.*

25 2. *The Division shall deposit any money collected from the*
26 *imposition of any administrative fine or penalty pursuant to this*
27 *chapter with the State Treasurer for credit to the State General*
28 *Fund. The Division may present a claim to the State Board of*
29 *Examiners for recommendation to the Interim Finance Committee*
30 *if money is required to pay attorney's fees or the costs of an*
31 *investigation, or both.*

32 **Sec. 9.** NRS 119.320 is hereby amended to read as follows:

33 119.320 1. Subject to the provisions of this chapter, the
34 Division shall collect the following fees at such times and upon such
35 conditions as it may provide by regulation:

36 ~~[(a) For deposit in the State General Fund:]~~

37	
38	For each annual registered representative's license
39	to represent a developer..... \$85
40	For each transfer of a registered representative's
41	license to represent a developer 30
42	For each penalty for a late renewal of a registered
43	representative's license 40
44	For each developer's permit per subdivision..... 500



1 For each developer’s temporary permit for each
2 subdivision \$275
3 For each renewal of a developer’s permit 500
4 For each developer’s partial registration pursuant to
5 NRS 119.121 275

6
7 ~~[The \$500 fee for a developer’s permit per subdivision does not~~
8 ~~apply to any subdivision having 34 or fewer lots, parcels, interests~~
9 ~~or units.~~

10 ~~—(b) For deposit for use by the Division in carrying out the~~
11 ~~provisions of this chapter:]~~

12
13 For each application for a developer’s request for an
14 exemption from any provision of this chapter..... \$500
15 For each application for renewal of an exemption
16 from any provision of this chapter 500
17 For each penalty for a late renewal of a developer’s
18 permit 125
19 For each amendment to a developer’s permit..... 300
20 For each penalty for the untimely filing of an
21 amendment to a developer’s permit 125
22 For each filing of a Project Registration Form 649 -
23 Statement of Project Broker 25
24 For each project request for processing within 5
25 days after a complete filing is made 1,000

26
27 2. *The \$500 fee for a developer’s permit per subdivision set*
28 *forth in subsection 1 does not apply to any subdivision having 34*
29 *or fewer lots, parcels, interests or units.*

30 3. At the time of the original filing, each developer shall pay an
31 additional \$5 for each lot, parcel, interest or unit in any one
32 subdivision in excess of 50, but not exceeding 250 such lots,
33 parcels, interests or units; \$4 for 251 through 500 lots, parcels,
34 interests or units in any one subdivision; \$3 for 501 through 750
35 lots, parcels, interests or units in any one subdivision; and \$2.50 for
36 all lots, parcels, interests or units in excess of 750 in any one
37 subdivision. The developer may designate lots, parcels, interests or
38 units it intends to offer for sale or lease in this state out of the
39 subdivision, and the fee per lot, parcel, interest or unit is only
40 applicable to those lots, parcels, interests or units. The units must be
41 designated in groupings of no less than 5 contiguous units in each
42 group, except that the Division may accept fewer upon request of
43 the developer. If the developer determines to offer additional lots,
44 parcels, interests or units, it shall so certify to the Division and pay
45 the additional fee therefor.



1 ~~§ 4.~~ 4. With the exception of the fees for a registered
2 representative's license or transfer, the fees enumerated in this
3 section must be reduced by the Administrator at such times as, in his
4 or her judgment, the Administrator considers a reduction equitable
5 in relation to the necessary costs of carrying out the administration
6 and enforcement of the provisions of this chapter.

7 **Sec. 10.** Chapter 119A of NRS is hereby amended by adding
8 thereto a new section to read as follows:

9 *1. Except as otherwise provided in subsection 2 and NRS*
10 *119A.350, all money received by the Division pursuant to this*
11 *chapter must be deposited with the State Treasurer for credit to the*
12 *Account for Real Estate Administration created by section 1 of this*
13 *act and accounted for separately to provide the money authorized*
14 *for expenditure by the Division to carry out the provisions of this*
15 *chapter.*

16 *2. The Division shall deposit any money collected from the*
17 *imposition of any administrative fine or penalty pursuant to this*
18 *chapter with the State Treasurer for credit to the State General*
19 *Fund. The Division may present a claim to the State Board of*
20 *Examiners for recommendation to the Interim Finance Committee*
21 *if money is required to pay attorney's fees or the costs of an*
22 *investigation, or both.*

23 **Sec. 11.** NRS 645C.610 and 645H.360 are hereby repealed.

24 **Sec. 12.** 1. This section becomes effective upon passage and
25 approval.

26 2. Sections 1 to 11, inclusive, of this act become effective:

27 (a) Upon passage and approval for the purpose of adopting any
28 regulations and performing any other preparatory administrative
29 tasks that are necessary to carry out the provisions of this act; and

30 (b) On July 1, 2023, for all other purposes.

TEXT OF REPEALED SECTIONS

645C.610 Deposit of money collected; claim for attorney's fees and costs of investigation. If the Commission imposes a fine or a penalty or the Division collects an amount for the registration of an appraisal management company, the Commission or Division, as applicable, shall deposit the amount collected with the State Treasurer for credit to the State General Fund. The Commission may present a claim to the State Board of Examiners for recommendation to the Interim Finance Committee if money is



needed to pay an attorney's fee or the cost of an investigation, or both.

645H.360 Disposition of money collected. If the Division imposes an administrative fine or collects a fee for registering an asset management company or issuing or renewing a permit to an asset manager, the Division shall deposit the amount collected with the State Treasurer for credit to the State General Fund. The Division may present a claim to the State Board of Examiners for recommendation to the Interim Finance Committee if money is needed to pay an attorney's fee or the cost of an investigation, or both.



