

SENATE BILL NO. 227—SENATOR LEE

MARCH 9, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing the financial administration of the Real Estate Division of the Department of Business and Industry. (BDR 54-982)

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

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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 state financial administration; creating the Account for Real Estate Administration in the State General Fund; requiring money that is collected from the imposition of certain fees and charges to be deposited into the Account; requiring money in the Account to be used to defray certain costs and expenses of the Real Estate Division of the Department of Business and Industry; authorizing the Division to maintain a reserve in the Account under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires certain fees, penalties and charges that are collected by  
2 the Real Estate Commission, the Commission of Appraisers of Real Estate, the  
3 Real Estate Administrator and the Real Estate Division of the Department of  
4 Business and Industry to be deposited into the State General Fund. (NRS 119.118,  
5 645.140, 645C.240, 645D.140) Existing law also provides that certain money  
6 received by the Commission for Common-Interest Communities and Condominium  
7 Hotels, a hearing panel or the Division pursuant to certain laws concerning the  
8 regulation of community managers and certain personnel must be deposited in the  
9 Account for Common-Interest Communities and Condominium Hotels. (NRS  
10 116A.220) **Section 1** of this bill creates the Account for Real Estate Administration  
11 in the State General Fund and requires the Administrator to administer the Account.  
12 **Sections 1-3, 7 and 9** of this bill require the Real Estate Commission, the  
13 Commission of Appraisers of Real Estate, the Administrator, the Commission for  
14 Common-Interest Communities and Condominium Hotels, a hearing panel and the  
15 Division to deposit money that is collected from the imposition of certain fees and  
16 charges into the Account and **sections 1-3** require money that is collected from the



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17 imposition of a fine or penalty be deposited into the State General Fund. **Sections**  
18 **1-3, 7 and 9** also require the money in the Account to be used to defray certain  
19 costs and expenses of the Division until the amount deposited into the Account in a  
20 fiscal year reaches the amount authorized for expenditure by the Division to carry  
21 out its duties. After the amount the Division is authorized to expend in a fiscal year  
22 has been deposited, all money received by the Division must be deposited into the  
23 State General Fund, except that the Division may maintain a reserve of not more  
24 than \$500,000 which does not revert to the State General Fund and which the  
25 Division may use as authorized by the Legislature or the Interim Finance  
26 Committee.

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

1       **Section 1.** NRS 645.140 is hereby amended to read as follows:  
2       645.140 1. *There is hereby created the Account for Real*  
3 *Estate Administration in the State General Fund. The*  
4 *Administrator shall administer the Account.*  
5       2. *All claims against the Account must be paid as other*  
6 *claims against the State are paid.*  
7       3. *The money deposited into the Account or credited to the*  
8 *Account pursuant to this section must be used to defray the costs*  
9 *and expenses incurred by the Division in carrying out the*  
10 *provisions of this chapter.*  
11       4. Except as otherwise provided in this section ~~[ ]~~ and NRS  
12 645.314, 645.6058 and 645.842, all ~~[fees, penalties and charges]~~  
13 money received by the Division pursuant to ~~[NRS 645.410, 645.660~~  
14 ~~and 645.830]~~ this chapter must be deposited with the State  
15 Treasurer for credit to the ~~[State General Fund.]~~ Account and  
16 accounted for separately until the amount deposited into the  
17 Account in a fiscal year reaches the amount authorized for  
18 expenditure by the Division to carry out the provisions of this  
19 chapter plus \$500,000. After the amount the Division is authorized  
20 to expend in a fiscal year has been deposited into the Account, all  
21 money received by the Division must be deposited with the State  
22 Treasurer for credit to the State General Fund, except that the  
23 Division may maintain a reserve of not more than \$500,000 in the  
24 Account which does not revert to the State General Fund and  
25 which may be used by the Division as authorized by the  
26 Legislature or the Interim Finance Committee.  
27       5. *The Commission and the Division shall deposit any money*  
28 *collected from the imposition of any fine or penalty pursuant to*  
29 *this chapter with the State Treasurer for credit to the State*  
30 *General Fund. If the money is so deposited, the Commission or*  
31 *Division may present a claim to the State Board of Examiners for*  
32 *recommendation to the Interim Finance Committee if money is*



1 *required to pay attorney's fees or the costs of an investigation, or*  
2 *both.*

3 6. The fees received by the Division ~~[-~~

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

6 ~~—(b) For] for~~ examinations ~~[,]~~ must be retained by the Division to  
7 pay the costs of the administration of examinations.

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

11 ~~—2.— Money for the support of the Division must be provided by~~  
12 ~~direct legislative appropriation, and be paid out on claims as other~~  
13 ~~claims against the State are paid.~~

14 ~~—3.] Account.~~

15 7. Each member of the Commission is entitled to receive:

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

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

22 ~~[4.]~~ 8. While engaged in the business of the Commission,  
23 each employee of the Commission is entitled to receive a per diem  
24 allowance and travel expenses at a rate fixed by the Commission.  
25 The rate must not exceed the rate provided for state officers and  
26 employees generally.

27 **Sec. 2.** NRS 645C.240 is hereby amended to read as follows:

28 645C.240 1. Except as otherwise provided in ~~[subsections 2~~  
29 ~~and 3,] this section,~~ all ~~[fees, penalties and other charges]~~ *money*  
30 received by the Division pursuant to this chapter must be deposited  
31 with the State Treasurer for credit to the ~~[State General Fund.~~

32 ~~—2.] Account for Real Estate Administration created by NRS~~  
33 *645.140 and accounted for separately until the amount deposited*  
34 *into the Account in a fiscal year reaches the amount authorized*  
35 *for expenditure by the Division to carry out the provisions of this*  
36 *chapter plus \$500,000. After the amount the Division is authorized*  
37 *to expend in a fiscal year has been deposited into the Account, all*  
38 *money received by the Division must be deposited with the State*  
39 *Treasurer for credit to the State General Fund, except that the*  
40 *Division may maintain a reserve of not more than \$500,000 in the*  
41 *Account which does not revert to the State General Fund and*  
42 *which may be used by the Division as authorized by the*  
43 *Legislature or the Interim Finance Committee.*

44 2. *The money deposited into the Account or credited to the*  
45 *Account pursuant to this section must be used to defray the costs*



1 *and expenses incurred by the Division in carrying out the*  
2 *provisions of this chapter.*

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

11 4. Fees received by the Division ~~[-~~

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

14 ~~—(b) For] for~~ examinations ~~[-]~~ must be retained by the Division to  
15 pay the costs of the administration of examinations.

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

19 ~~—3.] Account.~~

20 5. The portion of the fees collected by the Division pursuant to  
21 NRS 645C.450 for the issuance or renewal of a certificate or license  
22 as a residential appraiser or the issuance or renewal of a certificate  
23 as a general appraiser which is used for payment of the registry  
24 fee to the *Federal* Financial Institutions Examination Council  
25 pursuant to 12 U.S.C. § 3338, must be retained by the Division for  
26 payment to the *Federal* Financial Institutions Examination Council.

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

31 **Sec. 3.** NRS 645D.140 is hereby amended to read as follows:

32 645D.140 1. ~~[All fees, penalties and other charges]~~ *Except as*  
33 *otherwise provided in this section, all money* received by the  
34 Division pursuant to this chapter must be deposited with the State  
35 Treasurer for credit to the ~~[State General Fund.~~

36 ~~—2. Money for the support of the Division in carrying out the~~  
37 ~~provisions of this chapter must be provided by direct legislative~~  
38 ~~appropriation and be paid out on claims as other claims against the~~  
39 ~~State are paid.]~~ *Account for Real Estate Administration created by*  
40 *NRS 645.140 and accounted for separately until the amount*  
41 *deposited into the Account in a fiscal year reaches the amount*  
42 *authorized for expenditure by the Division to carry out the*  
43 *provisions of this chapter plus \$500,000. After the amount the*  
44 *Division is authorized to expend in a fiscal year has been*  
45 *deposited into the Account, all money received by the Division*



1 *must be deposited with the State Treasurer for credit to the State*  
2 *General Fund, except that the Division may maintain a reserve of*  
3 *not more than \$500,000 in the Account which does not revert to*  
4 *the State General Fund and which may be used by the Division as*  
5 *authorized by the Legislature or the Interim Finance Committee.*

6 *2. The money deposited into the Account or credited to the*  
7 *Account pursuant to this section must be used to defray the costs*  
8 *and expenses incurred by the Division in carrying out the*  
9 *provisions of this chapter.*

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

18 **Sec. 4.** NRS 116.620 is hereby amended to read as follows:

19 116.620 1. Except as otherwise provided in this section and  
20 within the limits of ~~Legislative appropriations,] money available for~~  
21 *this purpose*, the Division may employ experts, attorneys,  
22 investigators, consultants and other personnel as are necessary to  
23 carry out the provisions of this chapter.

24 2. The Attorney General shall act as the attorney for the  
25 Division in all actions and proceedings brought against or by the  
26 Division pursuant to the provisions of this chapter.

27 3. The Attorney General shall render to the Commission and  
28 the Division opinions upon all questions of law relating to the  
29 construction or interpretation of this chapter, or arising in the  
30 administration thereof, that may be submitted to the Attorney  
31 General by the Commission or the Division.

32 **Sec. 5.** (Deleted by amendment.)

33 **Sec. 6.** NRS 116A.210 is hereby amended to read as follows:

34 116A.210 1. Except as otherwise provided in this section and  
35 within the limits of ~~Legislative appropriations,] money available for~~  
36 *this purpose*, the Division may employ experts, attorneys,  
37 investigators, consultants and other personnel as are necessary to  
38 carry out the provisions of this chapter.

39 2. The Attorney General shall act as the attorney for the  
40 Division in all actions and proceedings brought against or by the  
41 Division pursuant to the provisions of this chapter.

42 3. The Attorney General shall render to the Commission and  
43 the Division opinions upon all questions of law relating to the  
44 construction or interpretation of this chapter, or arising in the



1 administration thereof, that may be submitted to the Attorney  
2 General by the Commission or the Division.

3 **Sec. 7.** NRS 116A.220 is hereby amended to read as follows:

4 116A.220 1. Except as otherwise provided in subsection ~~[2,]~~  
5 **3**, all money received by the Commission, a hearing panel or the  
6 Division pursuant to this chapter must be deposited ~~into the~~  
7 ~~Account for Common Interest Communities and Condominium~~  
8 ~~Hotels created pursuant to NRS 116.630.]~~ *with the State Treasurer*  
9 *for credit to the Account for Real Estate Administration created by*  
10 *NRS 645.140 and accounted for separately until the amount*  
11 *deposited into the Account in a fiscal year reaches the amount*  
12 *authorized for expenditure by the Division to carry out the*  
13 *provisions of this chapter plus \$500,000. After the amount the*  
14 *Division is authorized to expend in a fiscal year has been*  
15 *deposited into the Account, all money received by the Division*  
16 *must be deposited with the State Treasurer for credit to the State*  
17 *General Fund , except that the Division may maintain a reserve of*  
18 *not more than \$500,000 in the Account which does not revert to*  
19 *the State General Fund and which may be used by the Division as*  
20 *authorized by the Legislature or the Interim Finance Committee.*

21 2. *The money deposited into the Account or credited to the*  
22 *Account pursuant to this section must be used to defray the costs*  
23 *and expenses incurred by the Division in carrying out the*  
24 *provisions of this chapter.*

25 3. If the Commission imposes a fine or penalty, the  
26 Commission shall deposit the money collected from the imposition  
27 of the fine or penalty with the State Treasurer for credit to the State  
28 General Fund. If the money is so deposited, the Commission may  
29 present a claim to the State Board of Examiners for recommendation  
30 to the Interim Finance Committee if money is required to pay  
31 attorney's fees or the costs of an investigation, or both.

32 ~~[3.—Money for the support of the Commission and Division in~~  
33 ~~carrying out the provisions of this chapter must be provided by~~  
34 ~~direct legislative appropriation and be paid out on claims as other~~  
35 ~~claims against the State are paid.]~~

36 **Sec. 8.** NRS 116B.810 is hereby amended to read as follows:

37 116B.810 1. Except as otherwise provided in this section and  
38 within the limits of ~~[legislative appropriations,]~~ *money available for*  
39 *this purpose*, the Division may employ experts, attorneys,  
40 investigators, consultants and other personnel as are necessary to  
41 carry out the provisions of this chapter.

42 2. The Attorney General shall act as the attorney for the  
43 Division in all actions and proceedings brought against or by the  
44 Division pursuant to the provisions of this chapter.



1 3. The Attorney General shall render to the Commission and  
2 the Division opinions upon all questions of law relating to the  
3 construction or interpretation of this chapter, or arising in the  
4 administration thereof, that may be submitted to the Attorney  
5 General by the Commission or the Division.

6 **Sec. 9.** NRS 119.118 is hereby amended to read as follows:

7 119.118 ~~[A#]~~

8 *1. Except as otherwise provided in NRS 119.150, all fees and*  
9 *charges received by the Division ~~[shall]~~ must be deposited in the*  
10 *~~[General Fund in the State Treasury. Funds for the support of the~~*  
11 *~~Division shall be provided by direct legislative appropriation, and~~*  
12 *~~shall be paid out on claims as other claims against the State are~~*  
13 *~~paid.] Account for Real Estate Administration created by NRS~~*  
14 *645.140 and accounted for separately until the amount deposited*  
15 *into the Account in a fiscal year reaches the amount authorized*  
16 *for expenditure by the Division to carry out the provisions of this*  
17 *chapter plus \$500,000. After the amount the Division is authorized*  
18 *to expend in a fiscal year has been deposited into the Account, all*  
19 *money received by the Division must be deposited with the State*  
20 *Treasurer for credit to the State General Fund, except that the*  
21 *Division may maintain a reserve of not more than \$500,000 in the*  
22 *Account which does not revert to the State General Fund and*  
23 *which may be used by the Division as authorized by the*  
24 *Legislature or the Interim Finance Committee.*

25 *2. The money deposited into the Account must be used to*  
26 *defray the costs and expenses incurred by the Division in carrying*  
27 *out the provisions of this chapter.*

28 **Sec. 10.** NRS 645C.610 is hereby repealed.

29 **Sec. 11.** This act becomes effective upon passage and approval  
30 for the purpose of adopting any regulations that are necessary to  
31 carry out the provisions of this act and on July 1, 2013, for all other  
32 purposes.

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### TEXT OF REPEALED SECTION

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**645C.610 Disposition of money collected.** 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.

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