

SENATE BILL NO. 421—SENATOR SCHNEIDER

MARCH 19, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes to provisions governing common-interest communities. (BDR 10-446)

FISCAL NOTE: Effect on Local Government: Yes.
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 common-interest communities; creating the commission for common-interest communities to hear and take action on complaints related to such communities; requiring property managing agents to be licensed by the administrator of the real estate division of the department of business and industry; limiting the circumstances under which an association may bring an action to recover damages resulting from constructional defects in any units of the common-interest community; clarifying the amount of a fine that may be imposed for a continuing violation of the governing documents of an association; requiring the removal of a member of the executive board of an association to be conducted by secret ballot; revising the circumstances under which an association may foreclose on its lien for unpaid assessments; providing a penalty; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 116 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 30, inclusive, of this act.
3 **Sec. 2.** *“Commission” means the commission for common-interest*
4 *communities created pursuant to section 6 of this act.*
5 **Sec. 3.** *“Property management” means the physical, administrative*
6 *or financial maintenance and management of real property in a*
7 *common-interest community, or the supervision of those activities for a*
8 *fee, commission or other compensation or valuable consideration.*
9 **Sec. 4.** *“Property manager” means a person engaged in property*
10 *management for a common-interest community.*
11 **Sec. 5.** *“Property managing agent” means a person who, for*
12 *another person and for compensation, provides or arranges for the*
13 *services of a property manager.*



1 **Sec. 6. 1.** *The commission for common-interest communities,*
2 *consisting of five members appointed by the governor, is hereby created.*

3 **2.** *The governor shall appoint to the commission:*

4 **(a)** *Two members who are units' owners residing in this state, one of*
5 *whom is serving or has served as a member of the executive board of an*
6 *association;*

7 **(b)** *One member who is in the business of developing common-interest*
8 *communities in this state;*

9 **(c)** *One member who holds a permit to engage in property*
10 *management that is issued pursuant to the provisions of chapter 645 of*
11 *NRS or holds a certificate for property management issued by the real*
12 *estate commission pursuant to subsection 3 of NRS 116.31139; and*

13 **(d)** *One member who has experience with or knowledge of matters*
14 *related to common-interest communities, other than property*
15 *management.*

16 **3.** *At least three members of the commission must be residents of a*
17 *county whose population is 400,000 or more. At least one member of the*
18 *commission must be a resident of a county whose population is 40,000 or*
19 *more. Each member of the commission must have resided in a common-*
20 *interest community or have been actively engaged in a business related to*
21 *common-interest communities for not less than 3 years immediately*
22 *preceding the date of his appointment.*

23 **4.** *After the initial terms, each member of the commission shall serve*
24 *a term of 3 years. Each member may serve no more than two consecutive*
25 *full terms. If a vacancy occurs during a member's term, the governor*
26 *shall appoint a person qualified under this section to replace the member*
27 *for the remainder of the unexpired term.*

28 **5.** *While engaged in the business of the commission, each member is*
29 *entitled to receive:*

30 **(a)** *A salary of not more than \$80 per day, as established by the*
31 *commission; and*

32 **(b)** *The per diem allowance and travel expenses provided for state*
33 *officers and employees generally.*

34 **Sec. 7. 1.** *The commission shall, at the first meeting of each fiscal*
35 *year, elect from its members a chairman, vice chairman and secretary.*

36 **2.** *The commission shall meet at least once each calendar quarter*
37 *and at other times on the call of the chairman or a majority of its*
38 *members.*

39 **3.** *A majority of the members of the commission constitutes a*
40 *quorum for the transaction of all business.*

41 **Sec. 8. 1.** *A person who is aggrieved by any act committed in*
42 *violation of the provisions of this chapter may, within 2 years after the*
43 *alleged violation and after submitting the complaint for resolution to the*
44 *ombudsman for owners in common-interest communities, file a written*
45 *complaint with the commission specifying the relevant facts. The*
46 *commission may prescribe forms and adopt procedures for the filing of*
47 *such a complaint.*

48 **2.** *Except as otherwise provided in this subsection, the commission*
49 *shall, upon the receipt of such a complaint, conduct an investigation to*



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1 *determine whether disciplinary action is warranted. The commission*
2 *shall not investigate or take action on a complaint that has been*
3 *submitted to mediation or arbitration pursuant to the provisions of NRS*
4 *38.300 to 38.360, inclusive.*

5 *3. The commission may require any person who knowingly files a*
6 *false or fraudulent complaint with the commission to pay a fine of not*
7 *more than \$1,000.*

8 *Sec. 9. 1. To carry out its duties, the commission, or any member*
9 *thereof, may issue subpoenas to compel the attendance of witnesses and*
10 *the production of books, records and other papers.*

11 *2. If any person fails to comply with a subpoena issued by the*
12 *commission pursuant to this section within 10 days after its issuance, the*
13 *commission may petition the district court for an order of the court*
14 *compelling compliance with the subpoena.*

15 *3. Upon such a petition, the court shall enter an order directing the*
16 *person subpoenaed to appear before the court at a time and place to be*
17 *fixed by the court in its order, the time to be not more than 10 days after*
18 *the date of the order, and show cause why he has not complied with the*
19 *subpoena. A certified copy must be served upon the person subpoenaed.*

20 *4. If it appears to the court that the subpoena was regularly issued by*
21 *the commission, the court shall enter an order compelling compliance*
22 *with the subpoena, and upon failure to obey the order, the person must*
23 *be dealt with as for contempt of court.*

24 *Sec. 10. 1. If the commission determines that a complaint received*
25 *pursuant to section 8 of this act is not frivolous, the secretary of the*
26 *commission shall fix a time and place for a hearing on the complaint and*
27 *cause a notice of the hearing and a formal complaint prepared by the*
28 *commission to be served on the person who is alleged to have committed*
29 *the violation. The notice must be served at least 20 days before the date*
30 *fixed for the hearing.*

31 *2. The commission shall hold a hearing on the complaint within 90*
32 *days after the complaint is filed with the commission. The hearing may*
33 *be continued by the commission upon its own motion or upon written*
34 *request, for good cause shown.*

35 *3. Written notice may be served by delivery of it personally to the*
36 *person alleged to have committed the violation or by mailing it by*
37 *registered or certified mail to his last known address.*

38 *4. If the person alleged to have committed the violation submits a*
39 *written request, the commission shall furnish him with copies of any*
40 *communications, reports and affidavits in possession of the commission*
41 *relating to the complaint.*

42 *5. A person may be represented by an attorney at any proceeding or*
43 *hearing conducted pursuant to this section or section 11 of this act.*

44 *Sec. 11. 1. All money received by the commission must be*
45 *deposited in a bank or other financial institution in this state and paid*
46 *out on its order for its expenses.*

47 *2. The commission may delegate to an independent hearing officer*
48 *or panel its authority to take any disciplinary action pursuant to sections*
49 *6 to 14, inclusive, of this act, including the authority to impose and*



1 *collect fines and penalties. Fines and penalties imposed by an*
2 *independent hearing officer or panel must be deposited in an account for*
3 *the commission in a bank or other financial institution in this state.*

4 *3. If a hearing officer or panel is not authorized to take disciplinary*
5 *action and determine the amount of any fine or penalty imposed*
6 *pursuant to subsection 2, the commission shall deposit the money*
7 *collected from the imposition of fines with the state treasurer for credit to*
8 *the state general fund. If the money is so deposited, the commission may*
9 *present a claim to the state board of examiners for recommendation to*
10 *the interim finance committee if money is required to pay attorney's fees*
11 *or the costs of an investigation, or both.*

12 *Sec. 12. 1. The commission shall render a decision on a complaint*
13 *within 20 days after the final hearing thereon.*

14 *2. The commission shall notify all parties to the complaint of its*
15 *decision in writing by certified mail, return receipt requested.*

16 *Sec. 13. 1. If the commission determines, after notice and hearing,*
17 *that:*

18 *(a) Any person has violated a provision of this chapter, the*
19 *commission may:*

20 *(1) Issue an order to cease and desist from engaging in such*
21 *conduct;*

22 *(2) Issue an order to take affirmative action to correct conditions*
23 *resulting from the unlawful conduct;*

24 *(3) Impose a fine of not more than \$5,000 for each violation; or*

25 *(4) Take any combination of the actions authorized by*
26 *subparagraphs (1), (2) and (3).*

27 *(b) A member or officer of an executive board of an association has*
28 *knowingly and willfully violated a provision of this chapter, the*
29 *commission may remove him from his office if it determines that the*
30 *removal is in the best interest of the association.*

31 *2. If the commission takes any disciplinary action pursuant to*
32 *subsection 1, it may recover from the person against whom the action is*
33 *taken the costs of the proceedings incurred by the commission, including,*
34 *without limitation, the cost of the investigation and reasonable attorney's*
35 *fees.*

36 *Sec. 14. 1. If the commission determines that any person has*
37 *violated or will violate a provision of this chapter, the commission may*
38 *bring an action in the district court for the county in which the person*
39 *resides or, if the person does not reside in this state, in any court of*
40 *competent jurisdiction in this state, to enjoin him from engaging in the*
41 *violation or from doing any act in furtherance of the violation.*

42 *2. The action must be brought in the name of the State of Nevada.*

43 *3. An injunction:*

44 *(a) May be issued without proof of actual damage sustained by any*
45 *person.*

46 *(b) Does not prevent the criminal prosecution and punishment of a*
47 *person who violates the provisions of this chapter.*



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- 1 **Sec. 15.** 1. *A person shall not conduct business as a property*
2 *managing agent in this state without first obtaining a license from the*
3 *administrator.*
- 4 2. *Each applicant for a license as a property managing agent shall*
5 *file an application with the administrator on a form prescribed by the*
6 *administrator.*
- 7 3. *The application must:*
8 (a) *Include the social security number of the applicant;*
9 (b) *Be accompanied by the statement required pursuant to section 17*
10 *of this act; and*
11 (c) *Be accompanied by the fee prescribed by the administrator*
12 *pursuant to section 20 of this act.*
- 13 **Sec. 16.** *An applicant for a license as a property managing agent*
14 *must:*
- 15 1. *Be at least 18 years of age;*
16 2. *Be a citizen of the United States or lawfully entitled to remain and*
17 *work in the United States;*
18 3. *Be competent to engage in business as a property managing agent;*
19 4. *Have successfully completed a course in property management*
20 *that is approved by the administrator;*
21 5. *Have passed any examination prescribed by the administrator;*
22 6. *Hold a permit to engage in property management that is issued*
23 *pursuant to the provisions of chapter 645 of NRS or hold a certificate*
24 *issued by the real estate commission pursuant to subsection 3 of NRS*
25 *116.31139; and*
26 7. *Have such experience in property management as may be*
27 *prescribed by the administrator.*
- 28 **Sec. 17.** 1. *An applicant for the issuance or renewal of a license as*
29 *a property managing agent must submit to the administrator the*
30 *statement prescribed by the welfare division of the department of human*
31 *resources pursuant to NRS 425.520. The statement must be completed*
32 *and signed by the applicant.*
- 33 2. *The administrator shall include the statement required pursuant to*
34 *subsection 1 in:*
35 (a) *The application or any other forms that must be submitted for the*
36 *issuance or renewal of the license; or*
37 (b) *A separate form prescribed by the administrator.*
- 38 3. *A license may not be issued or renewed by the administrator if the*
39 *applicant:*
40 (a) *Fails to submit the statement required pursuant to subsection 1; or*
41 (b) *Indicates on the statement submitted pursuant to subsection 1 that*
42 *he is subject to a court order for the support of a child and is not in*
43 *compliance with the order or a plan approved by the district attorney or*
44 *other public agency enforcing the order for the repayment of the amount*
45 *owed pursuant to the order.*
- 46 4. *If an applicant indicates on the statement submitted pursuant to*
47 *subsection 1 that he is subject to a court order for the support of a child*
48 *and is not in compliance with the order or a plan approved by the district*
49 *attorney or other public agency enforcing the order for the repayment of*



1 *the amount owed pursuant to the order, the administrator shall advise*
2 *the applicant to contact the district attorney or other public agency*
3 *enforcing the order to determine the actions that the applicant may take*
4 *to satisfy the arrearage.*

5 **Sec. 18.** 1. *If the administrator receives a copy of a court order*
6 *issued pursuant to NRS 425.540 that provides for the suspension of all*
7 *professional, occupational and recreational licenses, certificates and*
8 *permits issued to the holder of a license as a property managing agent,*
9 *the administrator shall deem the license to be suspended at the end of the*
10 *30th day after the date the court order was issued unless the*
11 *administrator receives a letter issued to the licensee by the district*
12 *attorney or other public agency pursuant to NRS 425.550 stating that the*
13 *licensee has complied with a subpoena or warrant or has satisfied the*
14 *arrears pursuant to NRS 425.560.*

15 2. *The administrator shall reinstate a license that has been*
16 *suspended by a district court pursuant to NRS 425.540 if:*

17 (a) *The administrator receives a letter issued by the district attorney or*
18 *other public agency pursuant to NRS 425.550 to the licensee stating that*
19 *the licensee has complied with the subpoena or warrant or has satisfied*
20 *the arrearage pursuant to NRS 425.560; and*

21 (b) *The licensee pays the fee for the reinstatement of the license*
22 *prescribed by the administrator pursuant to section 20 of this act.*

23 **Sec. 19.** 1. *Each license as a property managing agent expires 2*
24 *years after the date it is issued and may be renewed if, before the license*
25 *expires, the licensee submits to the administrator:*

26 (a) *An application on a form prescribed by the administrator;*

27 (b) *The fee for the renewal of the license prescribed by the*
28 *administrator pursuant to section 20 of this act; and*

29 (c) *The statement required by section 17 of this act.*

30 2. *A license that expires pursuant to the provisions of this section*
31 *may be restored if the applicant:*

32 (a) *Complies with the provisions of subsection 1;*

33 (b) *Submits to the administrator proof of his ability to engage in*
34 *property management; and*

35 (c) *Submits to the board the fees prescribed pursuant to section 20 of*
36 *this act.*

37 **Sec. 20.** 1. *The administrator shall prescribe by regulation the fees*
38 *for:*

39 (a) *An application for a license as a property managing agent.*

40 (b) *The issuance of a license.*

41 (c) *The renewal of a license.*

42 (d) *The restoration of an expired license.*

43 (e) *The reinstatement of a suspended license.*

44 (f) *The issuance of a duplicate license.*

45 2. *The administrator may adopt such other regulations as are*
46 *necessary to carry out the provisions of sections 15 to 22, inclusive, of*
47 *this act.*

48 **Sec. 21.** *A person who:*

49 1. *Engages in business as a property managing agent;*



- 1 2. *Holds himself out as licensed or qualified to engage in business as*
2 *a property managing agent; or*
3 3. *Uses in connection with his name any title, words, letters or other*
4 *designation intended to imply or designate that he engages in business as*
5 *a property managing agent,*
6 *without first obtaining a license from the administrator is guilty of a*
7 *misdemeanor.*
8 **Sec. 22.** 1. *The administrator may refuse to issue or renew, or may*
9 *suspend or revoke, a license as a property managing agent if, after notice*
10 *and a hearing, the administrator determines that the applicant or*
11 *licensee:*
12 (i) *Has submitted false or misleading information to the*
13 *administrator or any agency of this state, any other state, the Federal*
14 *Government or the District of Columbia.*
15 (b) *Has violated any provision of this chapter or any regulation*
16 *adopted pursuant thereto.*
17 (c) *Has been convicted of a felony, a crime relating to a controlled*
18 *substance or a crime involving moral turpitude.*
19 (d) *Is not competent to engage in the business of property*
20 *management.*
21 2. *The administrator may require the applicant or licensee to pay the*
22 *costs incurred by the administrator to conduct an investigation and*
23 *hearing required by this section.*
24 **Sec. 23.** 1. *If an executive board of an association receives a*
25 *written complaint from a unit's owner alleging that the board has*
26 *violated any provision of this chapter or any provision of the governing*
27 *documents of the association, the executive board shall respond to the*
28 *complaint, in writing, within 10 days after receiving the complaint.*
29 2. *The executive board shall provide a copy of the response to a*
30 *unit's owner within 1 business day after receiving a request therefor.*
31 **Sec. 24.** *A member of an executive board shall not harass or take*
32 *any reprisal or retaliatory action against a unit's owner because the*
33 *unit's owner has:*
34 1. *Complained in good faith about any violation of this chapter or*
35 *the governing documents of the association; or*
36 2. *Requested to review the books, records and papers of the*
37 *association.*
38 **Sec. 25.** 1. *A member of an executive board of an association shall*
39 *not:*
40 (a) *On or after October 1, 2001, enter into a contract or renew a*
41 *contract with the association to provide goods or services to the*
42 *association; or*
43 (b) *Otherwise accept any commission, personal profit or*
44 *compensation of any kind from the association for providing goods or*
45 *services to the association.*
46 2. *The provisions of subsection 1 do not prohibit the payment of a*
47 *salary or other income to a member of an executive board of an*
48 *association for acting in his official capacity.*



1 **Sec. 26. 1. The administrator shall:**

2 (a) *Prescribe standard forms that may be used in preparing*
3 *declarations of covenants, conditions and restrictions for common-*
4 *interest communities, the bylaws of an association, and the rules and*
5 *regulations of an association.*

6 (b) *Make the forms available to declarants and associations upon*
7 *request.*

8 2. *The administrator may charge a fee for providing the forms*
9 *prescribed pursuant to subsection 1. The fee must not exceed the cost*
10 *incurred by the administrator to provide the forms.*

11 **Sec. 27. 1. An association may bring an action to recover damages**
12 *resulting from constructional defects in any of the units of the common-*
13 *interest community, or submit such a claim to mediation pursuant to*
14 *NRS 40.680, only:*

15 (a) *If the written approval of the owners of the units that will be the*
16 *subject of the action or claim is first obtained; and*

17 (b) *Upon a vote of the units' owners to which at least a majority of the*
18 *votes of the members of the association are allocated.*

19 2. *If an action is brought by an association to recover damages*
20 *resulting from constructional defects in any of the units of the common-*
21 *interest community, or such a claim is submitted to mediation pursuant*
22 *to NRS 40.680, the attorney representing the association shall provide to*
23 *each unit's owner whose unit is the subject of the action or claim a*
24 *statement that includes, in reasonable detail:*

25 (a) *The defects and damages or injuries to the unit;*

26 (b) *The cause of the defects, if the cause is known;*

27 (c) *The nature and extent that is known of the damage or injury*
28 *resulting from the defects; and*

29 (d) *The location of each defect within the unit.*

30 3. *As used in this section, "constructional defect" has the meaning*
31 *ascribed to it in NRS 40.615.*

32 **Sec. 28. If a member of the immediate family of a unit's owner**
33 *inherits the owner's unit within a common-interest community, the*
34 *declarant or association may not prohibit that person from residing in*
35 *the common-interest community on the sole ground that he fails to*
36 *comply with qualifications relating to age that are set forth in the*
37 *governing documents of the association.*

38 **Sec. 29. A person who offers for sale any interest in a unit in a**
39 *common-interest community shall disclose in any advertisement related*
40 *to the sale:*

41 1. *That the unit is:*

42 (a) *Located within a common-interest community;*

43 (b) *Governed by an association of units' owners; and*

44 (c) *Subject to the governing documents of the association.*

45 2. *The projected monthly assessment that a prospective purchaser*
46 *will be required to pay.*

47 **Sec. 30. Any person who engages in activities on behalf of an**
48 *association to collect assessments, fines or other money owed to the*



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1 *association shall comply with the provisions of 15 U.S.C. §§ 1692b to*
2 *1692j, inclusive, as those provisions exist on October 1, 2001.*

3 **Sec. 31.** NRS 116.1103 is hereby amended to read as follows:

4 116.1103 In the declaration and bylaws ~~[(NRS 116.3106), unless~~
5 ~~specifically provided otherwise or]~~ *of an association and in this chapter,*
6 *unless* the context otherwise requires, ~~[and in this chapter,]~~ the words and
7 terms defined in NRS 116.110305 to 116.110393, inclusive, *and sections 2*
8 *to 5, inclusive, of this act* have the meanings ascribed to them in those
9 sections.

10 **Sec. 32.** NRS 116.11145 is hereby amended to read as follows:

11 116.11145 1. To carry out the purposes of this chapter, the real estate
12 commission, or any member thereof, may issue subpoenas to compel the
13 attendance of witnesses and the production of books, records and other
14 papers.

15 2. If any person fails to comply with a subpoena issued by the *real*
16 *estate* commission pursuant to this section within 10 days after its issuance,
17 the *real estate* commission may petition the district court for an order of
18 the court compelling compliance with the subpoena.

19 3. Upon such a petition, the court shall enter an order directing the
20 person subpoenaed to appear before the court at a time and place to be
21 fixed by the court in its order, the time to be not more than 10 days after
22 the date of the order, and show cause why he has not complied with the
23 subpoena. A certified copy must be served upon the person subpoenaed.

24 4. If it appears to the court that the subpoena was regularly issued by
25 the *real estate* commission, the court shall enter an order compelling
26 compliance with the subpoena, and upon failure to obey the order the
27 person shall be dealt with as for contempt of court.

28 **Sec. 33.** NRS 116.1116 is hereby amended to read as follows:

29 116.1116 1. The office of the ombudsman for owners in common-
30 interest communities is hereby created within the real estate division of the
31 department of business and industry.

32 2. The administrator shall appoint the ombudsman for owners in
33 common-interest communities. The ombudsman for owners in common-
34 interest communities is in the unclassified service of the state.

35 3. The ombudsman for owners in common-interest communities must
36 be qualified by training and experience to perform the duties and functions
37 of his office.

38 4. The ombudsman for owners in common-interest communities shall:

39 (a) Assist in processing claims submitted to mediation or arbitration
40 pursuant to NRS 38.300 to 38.360, inclusive;

41 (b) Assist owners in common-interest communities to understand their
42 rights and responsibilities as set forth in this chapter and the governing
43 documents of their associations, including, without limitation, publishing
44 materials related to those rights and responsibilities;

45 (c) Assist persons appointed or elected to serve on executive boards of
46 associations to carry out their duties; ~~and~~

47 (d) *Assist in resolving complaints filed with the office alleging a*
48 *violation of the provisions of this chapter or the governing documents of*
49 *the association; and*



* S B 4 2 1 *

(e) Compile and maintain a registration of each association organized within the state which includes, without limitation:

(1) The name, address and telephone number of the association;

(2) The name of the ~~person engaged in property management for the common interest community~~ **property manager** or the name of the person who manages the property at the site of the common-interest community;

(3) The names, mailing addresses and telephone numbers of the members of the executive board of the association;

(4) The name of the declarant;

(5) The number of units in the common-interest community; and

(6) The total annual assessment made by the association.

Sec. 34. NRS 116.2111 is hereby amended to read as follows:

116.2111 ~~Subject~~

1. Except as otherwise provided in this section and subject to the provisions of the declaration and other provisions of law, a unit's owner:

~~1-1~~ **(a)** May make any improvements or alterations to his unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common-interest community;

~~1-2~~ **(b)** May not change the appearance of the common elements, or the exterior appearance of a unit or any other portion of the common-interest community, without permission of the association; and

~~1-3~~ **(c)** After acquiring an adjoining unit or an adjoining part of an adjoining unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common-interest community. Removal of partitions or creation of apertures under this ~~subsection~~ **paragraph** is not an alteration of boundaries.

2. An association may not:

(a) Require the removal of any structure, fixture or other improvement made to a unit if it was approved by the association before it was installed or constructed.

(b) Restrict, prohibit or otherwise impede the lawful rights of units' owners to protect and care for themselves, to have reasonable access to their homes and to feel safe and secure in their homes.

(c) Prohibit or require approval for a unit's owner to include or add in or outside a unit:

(1) An apparatus required to make use of solar energy or to protect against the effects of solar energy;

(2) Improvements such as ramps, railings or elevators that are necessary or desirable to increase the owner's access to his home if the owner is elderly or disabled; or

(3) Safety devices such as shutters or additional locks that are desirable to make an owner feel safe in his home.

3. Any device or other improvement included or added to the inside or outside of a unit pursuant to paragraph (b) or (c) of subsection 2 must be added or installed in the most reasonable manner possible and must be selected or designed to the maximum extent practicable to be complimentary to the style of the common-interest community.



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1 **Sec. 35.** NRS 116.31031 is hereby amended to read as follows:

2 116.31031 1. If a unit's owner, or a tenant or guest of a unit's owner,
3 does not comply with a provision of the governing documents of an
4 association, the executive board of the association may, if the governing
5 documents so provide:

6 (a) Prohibit, for a reasonable time, the unit's owner, or the tenant or
7 guest of the unit's owner, from ~~+~~

8 ~~— (1) Voting on matters related to the common interest community.~~

9 ~~— (2) Using~~ *using* the common elements. The provisions of this
10 ~~{subparagraph}~~ *paragraph* do not prohibit the unit's owner, or the tenant or
11 guest of the unit's owner, from using any vehicular or pedestrian ingress or
12 egress to go to or from the unit, including any area used for parking.

13 (b) Require the unit's owner, or the tenant or guest of the unit's owner,
14 to pay a fine for each failure to comply . ~~{that does not threaten the health~~
15 ~~and welfare of the common interest community.}~~ The fine must be
16 commensurate with the severity of the violation . ~~+, but~~ *If the failure to*
17 *comply does not threaten the health, safety or welfare of the common-*
18 *interest community, the fine* must not exceed \$100 for each violation or a
19 total amount of \$500, whichever is less.

20 2. If a fine is imposed pursuant to subsection 1 and the violation is not
21 cured within 14 days or a longer period as may be established by the
22 executive board, the violation shall be deemed a continuing violation.
23 Thereafter, the executive board may impose an additional fine for the
24 violation for each 7-day period or portion thereof that the violation is not
25 cured ~~+~~ , *but in no event may the total amount of the additional fine*
26 *exceed \$500.* Any additional fine *for the continuing violation* may be
27 imposed without notice and an opportunity to be heard.

28 3. Except as otherwise provided in subsection 2, the imposition of a
29 fine pursuant to this section must comply with the requirements of
30 subsection 6 of NRS 116.31065.

31 4. *For the purposes of this section, the administrator shall adopt by*
32 *regulation a definition of violations that threaten the health, safety or*
33 *welfare of the common-interest community.*

34 **Sec. 36.** NRS 116.31034 is hereby amended to read as follows:

35 116.31034 1. Except as otherwise provided in subsection 5 of NRS
36 116.212, not later than the termination of any period of declarant's control,
37 the units' owners shall elect an executive board of at least three members,
38 at least a majority of whom must be units' owners. The executive board
39 shall elect the officers. The members and officers of the executive board
40 shall take office upon election.

41 2. The term of office of a member of the executive board may not
42 exceed 2 years. A member of the executive board may be elected to
43 succeed himself. The governing documents of the association must set
44 forth the month during which elections for the members of the executive
45 board must be held after the termination of any period of the declarant's
46 control.

47 3. Not less than 30 days before the preparation of a ballot for the
48 election of members of the executive board, the secretary or other officer
49 specified in the bylaws of the association shall cause notice to be given to



* S B 4 2 1 *

1 each unit's owner of his eligibility to serve as a member of the executive
2 board. Each unit's owner who is qualified to serve as a member of the
3 executive board may have his name placed on the ballot along with the
4 names of the nominees selected by the members of the executive board or a
5 nominating committee established by the association. *A unit's owner may
6 not be disqualified from serving as a member of the executive board on
7 the sole ground that he has failed to pay any assessment levied against
8 his unit or any fine imposed against him for failing to comply with the
9 governing documents of the association.*

10 4. *A unit's owner may not be an officer or member of the executive
11 board if he or any member of his immediate family is the property
12 manager of the association.*

13 5. An officer, employee, agent or director of a corporate owner of a
14 unit, a trustee or designated beneficiary of a trust that owns a unit, a partner
15 of a partnership that owns a unit, and a fiduciary of an estate that owns a
16 unit may be an officer or member of the executive board. In all events
17 where the person serving or offering to serve as an officer or member of
18 the executive board is not the record owner, he shall file proof in the
19 records of the association that:

20 (a) He is associated with the corporate owner, trust, partnership or estate
21 as required by this subsection; and

22 (b) Identifies the unit or units owned by the corporate owner, trust,
23 partnership or estate.

24 ~~15-~~ 6. The election of any member of the executive board must be
25 conducted by secret written ballot. The secretary or other officer specified
26 in the bylaws of the association shall cause to be sent prepaid by United
27 States mail to the mailing address of each unit within the common-interest
28 community or to any other mailing address designated in writing by the
29 unit's owner, a secret ballot and a return envelope.

30 ~~16-~~ 7. Each member of the executive board shall, within 30 days after
31 his appointment or election, certify in writing that he has read and
32 understands the governing documents of the association and the provisions
33 of this chapter to the best of his ability.

34 **Sec. 37.** NRS 116.31036 is hereby amended to read as follows:

35 116.31036 1. Notwithstanding any provision of the declaration or
36 bylaws to the contrary, the units' owners, by a two-thirds vote of ~~all~~
37 ~~persons present and entitled to vote at any meeting of the units' owners at~~
38 ~~which a quorum is present,~~ *the votes cast*, may remove any member of the
39 executive board with or without cause. ~~other than a member appointed~~
40 ~~by the declarant.~~

41 2. *The removal of any member of the executive board must be*
42 *conducted by secret written ballot. The secretary or other officer specified*
43 *in the bylaws of the association shall cause to be sent prepaid by United*
44 *States mail to the mailing address of each unit within the common-*
45 *interest community or to any other mailing address designated in writing*
46 *by the unit's owner, a secret ballot and a return envelope.*

47 3. If a member of an executive board is sued for liability for actions
48 undertaken in his role as a member of the board, the association shall
49 indemnify him for his losses or claims, and undertake all costs of defense,



1 unless it is proven that he acted with willful or wanton misfeasance or with
2 gross negligence. After such proof the association is no longer liable for
3 the cost of defense, and may recover costs already expended from the
4 member of the executive board who so acted. Members of the executive
5 board are not personally liable to the victims of crimes occurring on the
6 property. Punitive damages may not be recovered against the association,
7 but may be recovered from persons whose activity gave rise to the
8 damages.

9 *4. The provisions of this section do not prohibit the commission from*
10 *taking any disciplinary action against a member of an executive board*
11 *pursuant to section 13 or 14 of this act.*

12 **Sec. 38.** NRS 116.3106 is hereby amended to read as follows:

13 116.3106 1. The bylaws of the association must provide:

14 (a) The number of members of the executive board and the titles of the
15 officers of the association;

16 (b) For election by the executive board of a president, treasurer,
17 secretary and any other officers of the association the bylaws specify;

18 (c) The qualifications, powers and duties, terms of office and manner of
19 electing and removing officers of the association and members of the
20 executive board and filling vacancies;

21 (d) Which, if any, of its powers the executive board or officers may
22 delegate to other persons or to a managing agent;

23 (e) Which of its officers may prepare, execute, certify and record
24 amendments to the declaration on behalf of the association;

25 (f) Procedural rules for conducting meetings of the association; ~~and~~

26 (g) A method for amending the bylaws ~~+~~; and

27 *(h) Procedural rules for conducting special elections. Such rules must*
28 *provide that a special election be held in a timely manner if at least 10*
29 *percent of the units' owners of the association have signed a petition*
30 *requesting such an election. The petition must include the purpose for*
31 *which the special election is to be held.*

32 2. Except as otherwise provided in the declaration, the bylaws may
33 provide for any other matters the association deems necessary and
34 appropriate.

35 3. The bylaws must be written in plain English.

36 **Sec. 39.** NRS 116.31065 is hereby amended to read as follows:

37 116.31065 The rules adopted by an association:

38 1. Must be reasonably related to the purpose for which they are
39 adopted.

40 2. Must be sufficiently explicit in their prohibition, direction or
41 limitation to inform a unit's owner, or a tenant or guest of a unit's owner,
42 of any action or omission required for compliance.

43 3. Must not be adopted to evade any obligation of the association.

44 4. Must be consistent with the governing documents of the association
45 and must not arbitrarily restrict conduct or require the construction of any
46 capital improvement by a unit's owner that is not required by the governing
47 documents of the association.



* S B 4 2 1 *

1 5. Must be uniformly enforced under the same or similar
2 circumstances against all units' owners. ~~Any rule that is not so uniformly~~
3 ~~enforced may not be enforced against any unit's owner.~~

4 6. May be enforced by the assessment of a fine only if:

5 (a) The person alleged to have violated the rule has received notice of
6 the alleged violation that informs him of his opportunity to request a
7 hearing on the alleged violation.

8 (b) At least 30 days before the alleged violation, the person alleged to
9 have violated the rule was given written notice of the rule or any
10 amendment to the rule.

11 **Sec. 40.** NRS 116.3108 is hereby amended to read as follows:

12 116.3108 1. A meeting of the units' owners of an association must
13 be held at least once each year. If the governing documents of a common-
14 interest community do not designate an annual meeting date of the units'
15 owners, a meeting of the units' owners must be held 1 year after the date of
16 the last meeting of the units' owners. If the units' owners have not held a
17 meeting for 1 year, a meeting of the units' owners must be held on the
18 following March 1. Special meetings of the units' owners of an association
19 may be called by the president, a majority of the executive board or by
20 units' owners having 10 percent, or any lower percentage specified in the
21 bylaws, of the votes in the association.

22 2. Not less than 10 nor more than 60 days in advance of any meeting
23 of the units' owners of an association, the secretary or other officer
24 specified in the bylaws shall cause notice of the meeting to be hand-
25 delivered or sent prepaid by United States mail to the mailing address of
26 each unit or to any other mailing address designated in writing by the unit's
27 owner. The notice of the meeting must state the time and place of the
28 meeting and include a copy of the agenda for the meeting. The notice must
29 include notification of the right of a unit's owner to:

30 (a) Have a copy of the minutes or a summary of the minutes of the
31 meeting distributed to him upon request and, if required by the executive
32 board, upon payment to the association of the cost of making the
33 distribution.

34 (b) Speak to the association or executive board, unless the executive
35 board is meeting in executive session.

36 3. The agenda for a meeting of the units' owners must consist of:

37 (a) A clear and complete statement of the topics scheduled to be
38 considered during the meeting, including, without limitation, any proposed
39 amendment to the declaration or bylaws, any fees or assessments to be
40 imposed or increased by the association, any budgetary changes and any
41 proposal to remove an officer or member of the executive board.

42 (b) A list describing the items on which action may be taken and clearly
43 denoting that action may be taken on those items. In an emergency, the
44 units' owners may take action on an item which is not listed on the agenda
45 as an item on which action may be taken.

46 (c) A period devoted to comments by units' owners and discussion of
47 those comments. Except in emergencies, no action may be taken upon a
48 matter raised under this item of the agenda until the matter itself has been



* S B 4 2 1 *

1 specifically included on an agenda as an item upon which action may be
2 taken pursuant to paragraph (b).

3 4. If the association adopts a policy imposing a fine on a unit's owner
4 for the violation of the declaration, bylaws or other rules established by the
5 association, the secretary or other officer specified in the bylaws shall
6 prepare and cause to be hand-delivered or sent prepaid by United States
7 mail to the mailing address of each unit or to any other mailing address
8 designated in writing by the unit's owner, a schedule of the fines that may
9 be imposed for those violations.

10 5. Not more than 30 days after any meeting of the units' owners, the
11 secretary or other officer specified in the bylaws shall cause the minutes or
12 a summary of the minutes of the meeting to be made available to the units'
13 owners. A copy of the minutes or a summary of the minutes must be
14 provided to any unit's owner who pays the association the cost of
15 providing the copy to him.

16 6. As used in this section, "emergency" means any occurrence or
17 combination of occurrences that:

18 (a) Could not have been reasonably foreseen;

19 (b) Affects the health, welfare and safety of the units' owners of the
20 association;

21 (c) Requires the immediate attention of, and possible action by, the
22 executive board; and

23 (d) Makes it impracticable to comply with the provisions of subsection
24 2 or 3.

25 *7. For the purposes of this section, the administrator shall adopt*
26 *regulations to provide for a more detailed definition of an emergency that*
27 *affects the health, welfare and safety of the units' owners of the*
28 *association.*

29 **Sec. 41.** NRS 116.31083 is hereby amended to read as follows:

30 116.31083 1. A meeting of the executive board of an association
31 must be held at least once every 90 days.

32 2. Except in an emergency or unless the bylaws of an association
33 require a longer period of notice, the secretary or other officer specified in
34 the bylaws of the association shall, not less than 10 days before the date of
35 a meeting of the executive board, cause notice of the meeting to be given to
36 the units' owners. Such notice must be:

37 (a) Sent prepaid by United States mail to the mailing address of each
38 unit within the common-interest community or to any other mailing
39 address designated in writing by the unit's owner; or

40 (b) Published in a newsletter or other similar publication that is
41 circulated to each unit's owner.

42 3. In an emergency, the secretary or other officer specified in the
43 bylaws of the association shall, if practicable, cause notice of the meeting
44 to be sent prepaid by United States mail to the mailing address of each unit
45 within the common-interest community. If delivery of the notice in this
46 manner is impracticable, the notice must be hand-delivered to each unit
47 within the common-interest community or posted in a prominent place or
48 places within the common elements of the association.



* S B 4 2 1 *

1 4. The notice of a meeting of the executive board of an association
2 must state the time and place of the meeting and include a copy of the
3 agenda for the meeting or the date on which and the locations where copies
4 of the agenda may be conveniently obtained by the units' owners of the
5 association. The notice must include notification of the right of a unit's
6 owner to:

7 (a) Have a copy of the minutes or a summary of the minutes of the
8 meeting distributed to him upon request and, if required by the executive
9 board, upon payment to the association of the cost of making the
10 distribution.

11 (b) Speak to the association or executive board, unless the executive
12 board is meeting in executive session.

13 5. The agenda of the meeting of the executive board of an association
14 must comply with the provisions of subsection 3 of NRS 116.3108. The
15 period required to be devoted to comments by units' owners and discussion
16 of those comments must be scheduled for the beginning of each meeting.
17 In an emergency, the executive board may take action on an item which is
18 not listed on the agenda as an item on which action may be taken.

19 6. At least once every 90 days, unless the declaration or bylaws of the
20 association impose more stringent standards, the executive board shall
21 review at one of its meetings:

22 (a) A current reconciliation of the operating account of the association;

23 (b) A current reconciliation of the reserve account of the association;

24 (c) The actual revenues and expenses for the reserve account, compared
25 to the budget for that account for the current year;

26 (d) The latest account statements prepared by the financial institutions
27 in which the accounts of the association are maintained;

28 (e) An income and expense statement, prepared on at least a quarterly
29 basis, for the operating and reserve accounts of the association; and

30 (f) The current status of any civil action or claim submitted to
31 arbitration or mediation in which the association is a party.

32 7. The minutes of a meeting of the executive board of an association
33 must ~~be~~:

34 (a) *Include:*

35 (1) *The date, time and place of the meeting;*

36 (2) *Those members of the executive board who were present and*
37 *those members who were absent;*

38 (3) *The substance of all matters proposed, discussed or decided and,*
39 *at the request of any member, a record of each member's vote on any*
40 *matter decided by vote;*

41 (4) *The substance of remarks made by any unit's owner who*
42 *addresses the executive board if he requests that the minutes reflect his*
43 *remarks or, if he has prepared written remarks, a copy of his prepared*
44 *remarks if he submits a copy for inclusion; and*

45 (5) *Any other information that any unit's owner requests to be*
46 *included or reflected in the minutes;*

47 (b) *Be maintained by the executive board until the common-interest*
48 *community is terminated; and*



* S B 4 2 1 *

1 (c) *Be* made available to the units' owners in accordance with the
2 provisions of subsection 5 of NRS 116.3108.

3 8. As used in this section, "emergency" means any occurrence or
4 combination of occurrences that:

5 (a) Could not have been reasonably foreseen;

6 (b) Affects the health, welfare and safety of the units' owners of the
7 association;

8 (c) Requires the immediate attention of, and possible action by, the
9 executive board; and

10 (d) Makes it impracticable to comply with the provisions of subsection
11 2 or 5.

12 *9. For the purposes of this section, the administrator shall adopt*
13 *regulations to provide factual considerations for use in determining*
14 *whether an emergency affects the health, welfare and safety of the units'*
15 *owners of the association.*

16 **Sec. 42.** NRS 116.31085 is hereby amended to read as follows:

17 116.31085 1. Except as otherwise provided in this section, a unit's
18 owner may attend any meeting of the units' owners of the association or of
19 the executive board and speak at any such meeting. The executive board
20 may establish reasonable limitations on the time a unit's owner may speak
21 at such a meeting.

22 2. An executive board may meet in executive session to:

23 (a) Consult with the attorney for the association on matters relating to
24 proposed or pending litigation if the contents of the discussion would
25 otherwise be governed by the privilege set forth in NRS 49.035 to 49.115,
26 inclusive;

27 (b) Discuss ~~matters relating to personnel;~~ *personal matters relating to*
28 *an employee of the association;* or

29 (c) Discuss a violation of the governing documents alleged to have been
30 committed by a unit's owner, including, without limitation, the failure to
31 pay an assessment, except as otherwise provided in subsection 3.

32 3. An executive board shall meet in executive session to hold a hearing
33 on an alleged violation of the governing documents unless the unit's owner
34 who allegedly committed the violation requests in writing that the hearing
35 be conducted by the executive board at an open meeting. The unit's owner
36 who is alleged to have committed the violation may attend the hearing and
37 testify concerning the alleged violation, but may be excluded by the
38 executive board from any other portion of the hearing, including, without
39 limitation, the deliberations of the executive board.

40 4. Except as otherwise provided in this subsection, any matter
41 discussed in executive session must be generally noted in the minutes of
42 the meeting of the executive board. The executive board shall maintain
43 minutes of any decision made pursuant to subsection 3 and, upon request,
44 provide a copy of the decision to the unit's owner who was the subject of
45 the hearing or to his designated representative.

46 5. Except as otherwise provided in subsection 3, a unit's owner is not
47 entitled to attend or speak at a meeting of the executive board held in
48 executive session.



* S B 4 2 1 *

1 **Sec. 43.** NRS 116.3109 is hereby amended to read as follows:
2 116.3109 1. Except as otherwise provided in this section and unless
3 the bylaws provide otherwise, a quorum is present throughout any meeting
4 of the association if persons entitled to cast 20 percent of the votes that
5 may be cast for election of the executive board are present in person or by
6 proxy at the beginning of the meeting.

7 2. Unless the bylaws specify a larger percentage, a quorum is deemed
8 present throughout any meeting of the executive board if persons entitled
9 to cast 50 percent of the votes on that board are present at the beginning of
10 the meeting.

11 3. For the purposes of ~~{determining whether a quorum is present for~~
12 ~~the election of}~~ **electing or removing** any member of the executive board, **a**
13 **quorum is not required and** only the secret written ballots that are returned
14 to the association may be counted.

15 **Sec. 44.** NRS 116.311 is hereby amended to read as follows:

16 116.311 1. If only one of several owners of a unit is present at a
17 meeting of the association, that owner is entitled to cast all the votes
18 allocated to that unit. If more than one of the owners are present, the votes
19 allocated to that unit may be cast only in accordance with the agreement of
20 a majority in interest of the owners, unless the declaration expressly
21 provides otherwise. There is majority agreement if any one of the owners
22 cast the votes allocated to that unit without protest made promptly to the
23 person presiding over the meeting by any of the other owners of the unit.

24 2. Except as otherwise provided in this section, votes allocated to a
25 unit may be cast pursuant to a proxy executed by a unit's owner. A unit's
26 owner may give a proxy only to a member of his immediate family, a
27 tenant of the unit's owner who resides in the common-interest community
28 or another unit's owner who resides in the common-interest community. If
29 a unit is owned by more than one person, each owner of the unit may vote
30 or register protest to the casting of votes by the other owners of the unit
31 through an executed proxy. A unit's owner may revoke a proxy given
32 pursuant to this section only by actual notice of revocation to the person
33 presiding over a meeting of the association. A proxy is void if:

34 (a) It is not dated or purports to be revocable without notice;
35 (b) It does not designate the votes that must be cast on behalf of the
36 unit's owner who executed the proxy; or

37 (c) The holder of the proxy does not disclose at the beginning of the
38 meeting for which the proxy is executed the number of proxies pursuant to
39 which he will be casting votes . ~~{and the voting instructions received for~~
40 ~~each proxy.}~~

41 A proxy terminates immediately after the conclusion of the meeting for
42 which it was executed. A vote may not be cast pursuant to a proxy for the
43 election **or removal** of a member of the executive board of an association.

44 3. Only a vote cast in person, by secret ballot or by proxy, may be
45 counted.

46 4. If the declaration requires that votes on specified matters affecting
47 the common-interest community be cast by lessees rather than units'
48 owners of leased units:



1 (a) The provisions of subsections 1 and 2 apply to lessees as if they
2 were units' owners;

3 (b) Units' owners who have leased their units to other persons may not
4 cast votes on those specified matters; and

5 (c) Lessees are entitled to notice of meetings, access to records,
6 and other rights respecting those matters as if they were units'
7 owners.

8 Units' owners must also be given notice, in the manner provided in NRS
9 116.3108, of all meetings at which lessees are entitled to vote.

10 5. No votes allocated to a unit owned by the association may be cast.

11 6. Votes cast for the election *or removal* of a member of the executive
12 board of an association must be counted in public.

13 **Sec. 45.** NRS 116.31135 is hereby amended to read as follows:

14 116.31135 1. ~~Any~~ *Except as otherwise provided in this section,*
15 *any* portion of the common-interest community for which insurance is
16 required under NRS 116.3113 which is damaged or destroyed must be
17 repaired or replaced promptly by the association unless:

18 (a) The common-interest community is terminated, in which case NRS
19 116.2118, 116.21183 and 116.21185 apply;

20 (b) Repair or replacement would be illegal under any state or local
21 statute or ordinance governing health or safety; or

22 (c) Eighty percent of the units' owners, including every owner of a unit
23 or assigned limited common element that will not be rebuilt, vote not to
24 rebuild.

25 The cost of repair or replacement in excess of insurance proceeds and
26 reserves is a common expense.

27 2. *If any damage to a portion of the common-interest community that*
28 *is required to be repaired pursuant to subsection 1 threatens the health,*
29 *welfare or safety of the units' owners of the association, it must be*
30 *repaired as soon as practicable, but not later than 10 days after it is*
31 *discovered.*

32 3. If the entire common-interest community is not repaired or replaced,
33 the proceeds attributable to the damaged common elements, must be used
34 to restore the damaged area to a condition compatible with the remainder
35 of the common-interest community, and except to the extent that other
36 persons will be distributees ~~It~~ *pursuant to* subparagraph 2 of paragraph (1)
37 of subsection 1 of NRS 116.2105 : ~~It~~

38 (a) The proceeds attributable to units and limited common elements that
39 are not rebuilt must be distributed to the owners of those units and the
40 owners of the units to which those limited common elements were
41 allocated, or to lien holders, as their interests may appear; and

42 (b) The remainder of the proceeds must be distributed to all the units'
43 owners or lien holders, as their interests may appear, as follows:

44 (1) In a condominium, in proportion to the interests of all the units in
45 the common elements; and

46 (2) In a cooperative or planned community, in proportion to the
47 liabilities of all the units for common expenses.

48 ~~It~~ 4. If the units' owners vote not to rebuild any unit, that unit's
49 allocated interests are automatically reallocated upon the vote as if the unit



1 had been condemned under subsection 1 of NRS 116.1107, and the
2 association promptly shall prepare, execute and record an amendment to
3 the declaration reflecting the reallocations.

4 **Sec. 46.** NRS 116.31139 is hereby amended to read as follows:

5 116.31139 1. An association may employ a ~~{person engaged in~~
6 ~~property management for the common interest community}~~ **property**
7 **manager.**

8 2. Except as otherwise provided in this section, a ~~{person engaged in~~
9 ~~property management for a common interest community}~~ **property**
10 **manager** must:

11 (a) Hold a permit to engage in property management that is issued
12 pursuant to the provisions of chapter 645 of NRS; or

13 (b) Hold a certificate issued by the real estate commission pursuant to
14 subsection 3.

15 3. The real estate commission shall provide by regulation for the
16 issuance of certificates for the management of common-interest
17 communities to persons who are not otherwise authorized to engage in
18 property management pursuant to the provisions of chapter 645 of NRS.
19 The regulations:

20 (a) Must establish the qualifications for the issuance of such a
21 certificate, including the education and experience required to obtain such
22 a certificate;

23 (b) May require applicants to pass an examination in order to obtain a
24 certificate;

25 (c) Must establish standards of practice for ~~{persons engaged in property~~
26 ~~management for a common interest community}~~ **property managers;**

27 (d) Must establish the grounds for initiating disciplinary action against a
28 person to whom a certificate has been issued, including, without limitation,
29 the grounds for placing conditions, limitations or restrictions on a
30 certificate and for the suspension or revocation of a certificate; and

31 (e) Must establish rules of practice and procedure for conducting
32 disciplinary hearings.

33 The real estate division of the department of business and industry may
34 investigate the property managers to whom certificates have been issued to
35 ensure their compliance with the standards of practice adopted pursuant to
36 this subsection and collect a fee for the issuance of a certificate by the **real**
37 **estate** commission in an amount not to exceed the administrative costs of
38 issuing the certificate.

39 4. The provisions of subsection 2 do not apply to:

40 (a) A person who is engaged in property management for a common-
41 interest community on October 1, 1999, and is granted an exemption from
42 the requirements of subsection 2 by the administrator upon demonstration
43 that he is qualified and competent to engage in property management for a
44 common-interest community.

45 (b) A financial institution.

46 (c) An attorney licensed to practice in this state.

47 (d) A trustee.

48 (e) An employee of a corporation who manages only the property of the
49 corporation.



* S B 4 2 1 *

1 (f) A declarant.

2 (g) A receiver.

3 ~~{5. As used in this section, "property management" means the~~
4 ~~physical, administrative or financial maintenance and management of real~~
5 ~~property, or the supervision of those activities for a fee, commission or~~
6 ~~other compensation or valuable consideration.}~~

7 **Sec. 47.** NRS 116.3115 is hereby amended to read as follows:

8 116.3115 1. Until the association makes an assessment for common
9 expenses, the declarant shall pay all common expenses. After an
10 assessment has been made by the association, assessments must be made at
11 least annually, based on a budget adopted at least annually by the
12 association in accordance with the requirements set forth in NRS
13 116.31151. Except for an association for a time-share project governed by
14 the provisions of chapter 119A of NRS, and unless the declaration imposes
15 more stringent standards, the budget must include a budget for the daily
16 operation of the association and the money for the reserve required by
17 paragraph (b) of subsection 2.

18 2. Except for assessments under subsections 4 to 7, inclusive:

19 (a) All common expenses, including a reserve, must be assessed against
20 all the units in accordance with the allocations set forth in the declaration
21 pursuant to subsections 1 and 2 of NRS 116.2107.

22 (b) The association shall establish an adequate reserve, funded on a
23 reasonable basis, for the repair, replacement and restoration of the major
24 components of the common elements. The reserve may be used only for
25 those purposes, including, without limitation, repairing, replacing and
26 restoring roofs, roads and sidewalks, and must not be used for daily
27 maintenance.

28 3. Any past due assessment for common expenses or installment
29 thereof bears interest at the rate established by the association not
30 exceeding 18 percent per year.

31 4. To the extent required by the declaration:

32 (a) Any common expense associated with the maintenance, repair,
33 restoration or replacement of a limited common element must be assessed
34 against the units to which that limited common element is assigned,
35 equally, or in any other proportion the declaration provides;

36 (b) Any common expense or portion thereof benefiting fewer than all of
37 the units must be assessed exclusively against the units benefited; and

38 (c) The costs of insurance must be assessed in proportion to risk and the
39 costs of utilities must be assessed in proportion to usage.

40 5. Assessments to pay a judgment against the association may be made
41 only against the units in the common-interest community at the time the
42 judgment was entered, in proportion to their liabilities for common
43 expenses.

44 6. If any common expense is caused by the misconduct of any unit's
45 owner, the association may assess that expense exclusively against his unit.

46 7. The association of a common-interest community created before
47 January 1, 1992, is not required to make an assessment against a vacant lot
48 located within the community that is owned by the declarant.



* S B 4 2 1 *

1 8. If liabilities for common expenses are reallocated, assessments for
2 common expenses and any installment thereof not yet due must be
3 recalculated in accordance with the reallocated liabilities.

4 9. The association shall provide written notice to the owner of each
5 unit of a meeting at which an assessment for a capital improvement or the
6 commencement of a civil action is to be considered or action is to be taken
7 on such an assessment at least 21 calendar days before the meeting.
8 ~~[Except as otherwise provided in this subsection, the]~~ **The** association may
9 commence a civil action only upon a vote ~~[or written agreement]~~ of the
10 owners of units to which at least a majority of the votes of the members of
11 the association are allocated. ~~[The provisions of this subsection do not
12 apply to a civil action that is commenced:~~

13 ~~— (a) By an association for a time share project governed by the
14 provisions of chapter 119A of NRS;~~

15 ~~— (b) To enforce the payment of an assessment;~~

16 ~~— (c) To enforce the declaration, bylaws or rules of the association;~~

17 ~~— (d) To proceed with a counterclaim; or~~

18 ~~— (e) To protect the health, safety and welfare of the members of the
19 association. If a civil action is commenced pursuant to this paragraph
20 without the required vote or agreement, the action must be ratified within
21 90 days after the commencement of the action by a vote or written
22 agreement of the owners of the units to which at least a majority of votes of
23 the members of the association are allocated. If the association, after
24 making a good faith effort, cannot obtain the required vote or agreement to
25 commence or ratify such a civil action, the association may thereafter seek
26 to dismiss the action without prejudice for that reason only if a vote or
27 written agreement of the owners of the units to which at least a majority of
28 votes of the members of the association are allocated was obtained at the
29 time the approval to commence or ratify the action was sought.]~~

30 10. At least 10 days before an association commences ~~[or seeks to
31 ratify the commencement of]~~ a civil action, the association shall provide a
32 written statement to all units' owners that includes:

33 (a) A reasonable estimate of the costs of the civil action, including
34 reasonable attorney's fees;

35 (b) An explanation of the potential benefits of the civil action and the
36 potential adverse consequences if the association does not commence the
37 action or if the outcome of the action is not favorable to the association;
38 and

39 (c) All disclosures that are required to be made upon the sale of the
40 property.

41 11. No person other than a unit's owner may request the dismissal of a
42 civil action commenced by the association on the ground that the
43 association failed to comply with any provision of this section.

44 **Sec. 48.** NRS 116.31158 is hereby amended to read as follows:

45 116.31158 1. Each association shall, at the time it pays the fee
46 required by NRS 116.31155, register with the ombudsman for owners in
47 common-interest communities on a form prescribed by the ombudsman.



* S B 4 2 1 *

1 2. The form for registration must include, without limitation, the
2 information required to be maintained pursuant to paragraph ~~(d)~~ (e) of
3 subsection 4 of NRS 116.1116.

4 **Sec. 49.** NRS 116.31162 is hereby amended to read as follows:

5 116.31162 1. Except as otherwise provided in subsection 4, in a
6 condominium, a cooperative where the owner's interest in a unit is real
7 estate as determined pursuant to NRS 116.1105, or a planned community,
8 the association may foreclose its lien by sale after:

9 (a) The association has mailed by certified or registered mail, return
10 receipt requested, to the unit's owner or his successor in interest, at his
11 address if known, and at the address of the unit, a notice of delinquent
12 assessment which states the amount of the assessments and other sums
13 which are due in accordance with subsection 1 of NRS 116.3116, a
14 description of the unit against which the lien is imposed, and the name of
15 the record owner of the unit;

16 (b) *The association has given written notice to the ombudsman for*
17 *owners in common-interest communities that contains the same*
18 *information as the notice of delinquent assessment, the ombudsman*
19 *provides an explanation of the pending action to the unit's owner or his*
20 *successor in interest, and the ombudsman approves the foreclosure, in*
21 *writing;*

22 (c) The association or other person conducting the sale has executed and
23 caused to be recorded, with the county recorder of the county in which the
24 common-interest community or any part of it is situated, a notice of default
25 and election to sell the unit to satisfy the lien, which contains the same
26 information as the notice of delinquent assessment, but must also describe
27 the deficiency in payment and the name and address of the person
28 authorized by the association to enforce the lien by sale; and

29 ~~(e)~~ (d) The unit's owner or his successor in interest has failed to pay
30 the amount of the lien, including costs, fees and expenses incident to its
31 enforcement, for 60 days following the recording of the notice of default
32 and election to sell.

33 2. The notice of default and election to sell must be signed by the
34 person designated in the declaration or by the association for that purpose,
35 or if no one is designated, by the president of the association.

36 3. The period of 60 days begins on the first day following the later of:

37 (a) The day on which the notice of default is recorded; ~~to~~

38 (b) The day on which a copy of the notice of default is mailed by
39 certified or registered mail, return receipt requested, to the unit's owner or
40 his successor in interest at his address if known, and at the address of the
41 unit ~~to~~; or

42 (c) *The day on which the ombudsman's written approval is received*
43 *by the association.*

44 4. The association may not foreclose a lien by sale for the assessment
45 of a fine for a violation of the declaration, bylaws, rules or regulations of
46 the association, unless the violation is of a type that threatens the health,
47 safety or welfare of the residents of the common-interest community. *For*
48 *the purposes of this subsection, the administrator shall adopt by*



1 *regulation a definition of violations that threaten the health, safety or*
2 *welfare of the residents of the common-interest community.*

3 **Sec. 50.** NRS 116.31175 is hereby amended to read as follows:

4 116.31175 1. Except as otherwise provided in this subsection, the
5 executive board of an association shall, upon the written request of a unit's
6 owner, make available the books, records and other papers of the
7 association for review during the regular working hours of the association
8 ~~11~~, *including, without limitation, all records relating to any civil or*
9 *criminal action to which the association is a party.* The provisions of this
10 subsection do not apply to:

11 (a) The personnel records of the employees of the association; and

12 (b) The records of the association relating to another unit's owner.

13 2. If the executive board refuses to allow a unit's owner to review the
14 books, records or other papers of the association, the ombudsman for
15 owners in common-interest communities may:

16 (a) On behalf of the unit's owner and upon written request, review the
17 books, records or other papers of the association during the regular
18 working hours of the association; and

19 (b) If he is denied access to the books, records or other papers, request
20 the commission to issue a subpoena for their production.

21 *3. The books, records and other papers of an association must be*
22 *maintained for a period of at least 10 years.*

23 **Sec. 51.** NRS 116.31177 is hereby amended to read as follows:

24 116.31177 1. The executive board of an association shall maintain
25 and make available for review at the business office of the association or
26 other suitable location:

27 (a) The financial statement of the association;

28 (b) The budgets of the association required to be prepared pursuant to
29 NRS 116.31151; and

30 (c) The study of the reserves of the association required to be conducted
31 pursuant to NRS 116.31152.

32 2. The executive board shall provide a copy of any of the records
33 required to be maintained pursuant to subsection 1 to a unit's owner or the
34 ombudsman for owners in common-interest communities within 14 days
35 after receiving a written request therefor. The executive board may charge
36 a fee to cover the actual costs of preparing a copy, but not to exceed 25
37 cents per page.

38 *3. The records required to be maintained pursuant to subsection 1*
39 *must be maintained for a period of at least 10 years.*

40 **Sec. 52.** NRS 116.4109 is hereby amended to read as follows:

41 116.4109 1. Except in the case of a sale in which delivery of a public
42 offering statement is required, or unless exempt under subsection 2 of NRS
43 116.4101, a unit's owner shall furnish to a purchaser before execution of
44 any contract for sale of a unit, or otherwise before conveyance:

45 (a) A copy of the declaration, other than any plats and plans, the bylaws,
46 the rules or regulations of the association and, except for a time share
47 governed by the provisions of chapter 119A of NRS, the information
48 statement required by NRS 116.41095;



* S B 4 2 1 *

1 (b) A statement setting forth the amount of the monthly assessment for
2 common expenses and any unpaid assessment of any kind currently due
3 from the selling unit's owner;

4 (c) The current operating budget of the association and a financial
5 statement for the association; and

6 (d) A statement of any unsatisfied judgments or pending legal actions
7 against the association and the status of any pending legal actions relating
8 to the common-interest community of which the unit's owner has actual
9 knowledge.

10 2. The association, within ~~101~~ 5 days after *receiving* a request by a
11 unit's owner, shall furnish a certificate containing the information
12 necessary to enable the unit's owner to comply with this section. A unit's
13 owner providing a certificate pursuant to subsection 1 is not liable to the
14 purchaser for any erroneous information provided by the association and
15 included in the certificate.

16 3. Neither a purchaser nor the purchaser's interest in a unit is liable for
17 any unpaid assessment or fee greater than the amount set forth in the
18 certificate prepared by the association. If the association fails to furnish the
19 certificate within the ~~101~~ 5 days allowed by subsection 2, the seller is not
20 liable for the delinquent assessment.

21 **Sec. 53.** NRS 116.41095 is hereby amended to read as follows:

22 116.41095 The information statement required by NRS 116.4103 and
23 116.4109 must be in substantially the following form:

24
25 BEFORE YOU PURCHASE PROPERTY IN A
26 COMMON-INTEREST COMMUNITY
27 DID YOU KNOW . . .

28 1. YOU ARE AGREEING TO RESTRICTIONS ON HOW YOU
29 CAN USE YOUR PROPERTY?

30 These restrictions are contained in a document known as the Declaration of
31 Covenants, Conditions and Restrictions (C, C & R's) that should be
32 provided for your review before making your purchase. The C, C & R's
33 become a part of the title to your property. They bind you and every future
34 owner of the property whether or not you have read them or had them
35 explained to you. The C, C & R's, together with other "governing
36 documents" (such as association bylaws and rules and regulations), are
37 intended to preserve the character and value of properties in the
38 community, but may also restrict what you can do to improve or change
39 your property and limit how you use and enjoy your property. By
40 purchasing a property encumbered by C, C & R's, you are agreeing to
41 limitations that could affect your lifestyle and freedom of choice. You
42 should review the C, C & R's and other governing documents before
43 purchasing to make sure that these limitations and controls are acceptable
44 to you.

45 2. YOU WILL HAVE TO PAY OWNERS' ASSESSMENTS FOR AS
46 LONG AS YOU OWN YOUR PROPERTY?

47 As an owner in a common-interest community, you are responsible for
48 paying your share of expenses relating to the common elements, such as
49 landscaping, shared amenities and the operation of any homeowner's



* S B 4 2 1 *

1 association. The obligation to pay these assessments binds you and every
2 future owner of the property. Owners' fees are usually assessed by the
3 homeowner's association and due monthly. You have to pay dues whether
4 or not you agree with the way the association is managing the property or
5 spending the assessments. The executive board of the association may have
6 the power to change and increase the amount of the assessment and to levy
7 special assessments against your property to meet extraordinary expenses.
8 In some communities, major components of the community such as roofs
9 and private roads must be maintained and replaced by the association. If
10 the association is not well managed or fails to maintain adequate reserves
11 to repair, replace and restore common elements, you may be required to
12 pay large, special assessments to accomplish these tasks.

13 3. IF YOU FAIL TO PAY OWNERS' ASSESSMENTS, YOU
14 COULD LOSE YOUR HOME?

15 If you do not pay these assessments when due, the association usually has
16 the power to collect them by selling your property in a nonjudicial
17 foreclosure sale. If fees become delinquent, you may also be required to
18 pay penalties and the association's costs and attorney's fees to become
19 current. If you dispute the obligation or its amount, your only remedy to
20 avoid the loss of your home may be to file a lawsuit and ask a court to
21 intervene in the dispute.

22 4. YOU MAY BECOME A MEMBER OF A HOMEOWNER'S
23 ASSOCIATION THAT HAS THE POWER TO AFFECT HOW YOU
24 USE AND ENJOY YOUR PROPERTY?

25 Many common-interest communities have a homeowner's association. In a
26 new development, the association will usually be controlled by the
27 developer until a certain number of units have been sold. After the period
28 of developer control, the association may be controlled by property owners
29 like yourself who are elected by homeowners to sit on an executive board
30 and other boards and committees formed by the association. The
31 association, and its executive board, are responsible for assessing
32 homeowners for the cost of operating the association and the common or
33 shared elements of the community and for the day to day operation and
34 management of the community. Because homeowners sitting on the
35 executive board and other boards and committees of the association may
36 not have the experience or professional background required to understand
37 and carry out the responsibilities of the association properly, the
38 association may hire professional managers to carry out these
39 responsibilities.

40 Homeowner's associations operate on democratic principles. Some
41 decisions require all homeowners to vote, some decisions are made by the
42 executive board or other boards or committees established by the
43 association or governing documents. Although the actions of the
44 association and its executive board are governed by state laws, the C, C &
45 R's and other documents that govern the common-interest community,
46 decisions made by these persons will affect your use and enjoyment of
47 your property, your lifestyle and freedom of choice, and your cost of living
48 in the community. You may not agree with decisions made by the
49 association or its governing bodies even though the decisions are ones



1 which the association is authorized to make. Decisions may be made by a
2 few persons on the executive board or governing bodies that do not
3 necessarily reflect the view of the majority of homeowners in the
4 community. If you do not agree with decisions made by the association, its
5 executive board or other governing bodies, your remedy is typically to
6 attempt to use the democratic processes of the association to seek the
7 election of members of the executive board or other governing bodies that
8 are more responsive to your needs. If persons controlling the association or
9 its management are not complying with state laws or the governing
10 documents, your remedy is typically to seek to mediate or arbitrate the
11 dispute and, if mediation or arbitration is unsuccessful, file a lawsuit and
12 ask a court to resolve the dispute. In addition to your personal cost in
13 mediation or arbitration, or to prosecute a lawsuit, you may be responsible
14 for paying your share of the association's cost in defending against your
15 claim. There is no government agency in this state that investigates or
16 intervenes to resolve disputes in homeowner's associations.

17 5. YOU ARE REQUIRED TO PROVIDE PROSPECTIVE BUYERS
18 OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN
19 YOUR COMMON-INTEREST COMMUNITY?

20 The law requires you to provide to a prospective purchaser of your
21 property, before you enter into a purchase agreement, a copy of the
22 community's governing documents, including the C, C & R's, association
23 bylaws, and rules and regulations, as well as a copy of this document. You
24 are also required to provide a copy of the association's current financial
25 statement, operating budget and information regarding the amount of the
26 monthly assessment for common expenses, including the amount set aside
27 as reserves for the repair, replacement and restoration of common
28 elements. You are also required to inform prospective purchasers of any
29 outstanding judgments or lawsuits pending against the association of which
30 you are aware. You are also required to provide a copy of the minutes from
31 the most recent meeting of the homeowner's association or its executive
32 board. For more information regarding these requirements, see Nevada
33 Revised Statutes 116.4103.

34 6. YOU HAVE CERTAIN RIGHTS REGARDING OWNERSHIP IN
35 A COMMON-INTEREST COMMUNITY THAT ARE GUARANTEED
36 YOU BY THE STATE?

37 Pursuant to provisions of chapter 116 of Nevada Revised Statutes, you
38 have the right:

39 (a) To be notified of all meetings of the association and its executive
40 board, except in cases of emergency.

41 (b) To attend and speak at all meetings of the association and its
42 executive board, except in some cases where the executive board is
43 authorized to meet in closed, executive session.

44 (c) To request a special meeting of the association upon petition of at
45 least 10 percent of the homeowners.

46 (d) To inspect, examine, photocopy and audit financial and other
47 records of the association.

48 (e) To be notified of all changes in the community's rules and
49 regulations and other actions by the association or board that affect you.



* S B 4 2 1 *

7. QUESTIONS?

Although they may be voluminous, you should take the time to read and understand the documents that will control your ownership of a property in a common-interest community. You may wish to ask your real estate professional, lawyer or other person with experience to explain anything you do not understand. You may also request assistance from the ombudsman for owners in common-interest communities, Nevada Real Estate Division, at (telephone number) ~~H~~ , *or the commission for common-interest communities, at (telephone number).*

Buyer or prospective buyer's initials: _____

Date: _____

Sec. 54. NRS 38.330 is hereby amended to read as follows:

38.330 1. If all parties named in a written claim filed pursuant to NRS 38.320 agree to have the claim submitted for mediation, the parties shall reduce the agreement to writing and shall select a mediator from the list of mediators maintained by the division pursuant to NRS 38.340. Any mediator selected must be available within the geographic area. If the parties fail to agree upon a mediator, the division shall appoint a mediator from the list of mediators maintained by the division. Any mediator appointed must be available within the geographic area. Unless otherwise provided by an agreement of the parties, mediation must be completed within 60 days after the parties agree to mediation. Any agreement obtained through mediation conducted pursuant to this section must, within 20 days after the conclusion of mediation, be reduced to writing by the mediator and a copy thereof provided to each party. The agreement may be enforced as any other written agreement. Except as otherwise provided in this section, the parties are responsible for all costs of mediation conducted pursuant to this section.

2. If all the parties named in the claim do not agree to mediation, the parties shall select an arbitrator from the list of arbitrators maintained by the division pursuant to NRS 38.340. Any arbitrator selected must be available within the geographic area. If the parties fail to agree upon an arbitrator, the division shall appoint an arbitrator from the list maintained by the division. Any arbitrator appointed must be available within the geographic area. Upon appointing an arbitrator, the division shall provide the name of the arbitrator to each party.

3. The division may provide for the payment of the fees for a mediator or an arbitrator selected or appointed pursuant to this section from the account for the ombudsman for owners in common-interest communities created pursuant to NRS 116.1117, to the extent that money is available in the account for this purpose.

4. Except as otherwise provided in this section and except where inconsistent with the provisions of NRS 38.300 to 38.360, inclusive, the arbitration of a claim pursuant to this section must be conducted in accordance with the provisions of NRS 38.075 to ~~38.105,~~ 38.135, inclusive, ~~38.115, 38.125, 38.135,~~ 38.155 and 38.165. *No party to the arbitration may be represented by an attorney.* At any time during the arbitration of a claim relating to the interpretation, application or



* S B 4 2 1 *

1 enforcement of any covenants, conditions or restrictions applicable to
2 residential property or any bylaws, rules or regulations adopted by an
3 association, the arbitrator may issue an order prohibiting the action upon
4 which the claim is based. An award must be made within 30 days after the
5 conclusion of arbitration, unless a shorter period is agreed upon by the
6 parties to the arbitration.

7 5. If all the parties have agreed to nonbinding arbitration, any party to
8 the arbitration may, within 30 days after a decision and award have been
9 served upon the parties, commence a civil action in the proper court
10 concerning the claim which was submitted for arbitration. Any complaint
11 filed in such an action must contain a sworn statement indicating that the
12 issues addressed in the complaint have been arbitrated pursuant to the
13 provisions of NRS 38.300 to 38.360, inclusive. If such an action is not
14 commenced within that period, any party to the arbitration may, within 1
15 year after the service of the award, apply to the proper court for a
16 confirmation of the award pursuant to NRS 38.135.

17 6. ~~HH~~ *Except as otherwise provided in this section, if* all the parties
18 agree in writing to binding arbitration, the arbitration must be conducted in
19 accordance with the provisions of ~~chapter 38 of NRS.~~ *this chapter.* An
20 award procured pursuant to such arbitration may be vacated and a
21 rehearing granted upon application of a party pursuant to the provisions of
22 NRS 38.145.

23 7. If, after the conclusion of arbitration, a party:

24 (a) Applies to have an award vacated and a rehearing granted pursuant
25 to NRS 38.145; or

26 (b) Commences a civil action based upon any claim which was the
27 subject of arbitration,
28 the party shall, if he fails to obtain a more favorable award or judgment
29 than that which was obtained in the initial arbitration, pay all costs and
30 reasonable attorney's fees incurred by the opposing party after the
31 application for a rehearing was made or after the complaint in the civil
32 action was filed.

33 8. Upon request by a party, the division shall provide a statement to
34 the party indicating the amount of the fees for a mediator or an arbitrator
35 selected or appointed pursuant to this section.

36 9. As used in this section, "geographic area" means an area within 150
37 miles from any residential property or association which is the subject of a
38 written claim submitted pursuant to NRS 38.320.

39 **Sec. 55.** Section 15 of this act is hereby amended to read as follows:

40 Sec. 15. 1. A person shall not conduct business as a property
41 managing agent in this state without first obtaining a license from the
42 administrator.

43 2. Each applicant for a license as a property managing agent shall
44 file an application with the administrator on a form prescribed by the
45 administrator.

46 3. The application must ~~be~~:

47 ~~—(a) Include the social security number of the applicant;~~

48 ~~—(b) Be accompanied by the statement required pursuant to section~~
49 ~~17 of this act; and~~



* S B 4 2 1 *

1 ~~(e) Be~~ *be* accompanied by the fee prescribed by the administrator
2 pursuant to section 20 of this act.

3 **Sec. 56.** Section 19 of this act is hereby amended to read as follows:

4 Sec. 19. 1. Each license as a property managing agent expires 2
5 years after the date it is issued and may be renewed if, before the
6 license expires, the licensee submits to the administrator:

7 (a) An application on a form prescribed by the administrator; *and*
8 (b) The fee for the renewal of the license prescribed by the
9 administrator pursuant to section 20 of this act. ~~;~~ ~~and~~

10 ~~(c) The statement required by section 17 of this act.~~

11 2. A license that expires pursuant to the provisions of this section
12 may be restored if the applicant:

13 (a) Complies with the provisions of subsection 1;
14 (b) Submits to the administrator proof of his ability to engage in
15 property management; and

16 (c) Submits to the board the fees prescribed pursuant to section 20
17 of this act.

18 **Sec. 57.** Notwithstanding the provisions of sections 15 to 22,
19 inclusive, of this act, a person who engages in business as a property
20 managing agent is not required to be licensed pursuant to the provisions of
21 this act before January 1, 2002.

22 **Sec. 58.** Any declaration, bylaw or other governing document of a
23 common-interest community in effect on October 1, 2001, that does not
24 conform to the provisions of chapter 116 of NRS, as amended by this act,
25 shall be deemed to have been conformed to those provisions by operation
26 of law. Notwithstanding any other provision of law to the contrary, not
27 later than October 1, 2002, any declaration, bylaw or other governing
28 document of a common-interest community created on or after January 1,
29 1992, that does not conform to the provisions of chapter 116 of NRS, as
30 amended by this act, must be changed to conform to those provisions, and
31 may be so changed without complying with the procedural requirements
32 generally applicable to the adoption of an amendment to such a declaration,
33 by law or other governing document.

34 **Sec. 59.** As soon as practicable after October 1, 2001, the governor
35 shall appoint to the commission for common-interest communities:

- 36 1. One member whose term expires on October 1, 2002.
37 2. Two members whose terms expire on October 1, 2003.
38 3. Two members whose terms expire on October 1, 2004.

39 **Sec. 60.** The provisions of this act do not apply to offenses committed
40 before October 1, 2001.

41 **Sec. 61.** 1. This section and sections 1 to 53, inclusive, and 56 to 59,
42 inclusive, of this act become effective on October 1, 2001.

43 2. Sections 54 and 55 of this act become effective on the date on which
44 the provisions of 42 U.S.C. § 666 requiring each state to establish
45 procedures under which the state has authority to withhold or suspend, or
46 to restrict the use of professional, occupational and recreational licenses of
47 persons who:



* S B 4 2 1 *

1 (a) Have failed to comply with a subpoena or warrant relating to a
2 proceeding to determine the paternity of a child or to establish or enforce
3 an obligation for the support of a child; or

4 (b) Are in arrears in the payment for the support of one or more
5 children,
6 are repealed by the Congress of the Unites States.

7 3. Sections 17 and 18 of this act expire by limitation on the date on
8 which the provisions of 42 U.S.C. § 666 requiring each state to establish
9 procedures under which the state has authority to withhold or suspend, or
10 to restrict the use of professional, occupational and recreational licenses of
11 persons who:

12 (a) Have failed to comply with a subpoena or warrant relating to a
13 proceeding to determine the paternity of a child or to establish or enforce
14 an obligation for the support of a child; or

15 (b) Are in arrears in the payment for the support of one or more
16 children,
17 are repealed by the Congress of the Unites States.

