

## Amendment No. 867

Senate Amendment to Assembly Bill No. 290 First Reprint

(BDR 10-951)

**Proposed by:** Committee on Commerce and Labor**Amendment Box:****Resolves Conflicts with:** N/A**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: No

ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/> Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/> Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/> Not <input type="checkbox"/>	_____

Amend sec. 3, page 1, by deleting lines 8 through 10 and inserting:

**“Sec. 3. 1. Except as otherwise provided in the declaration, an association may not require a unit’s owner to secure or obtain any approval from the association in order to rent or lease his unit.**

**2. The provisions of this section do not prohibit an association from enforcing any provisions which govern the renting or leasing of units and which are contained in this chapter or in any other applicable federal, state or local laws or regulations.”.**

Amend the bill as a whole by deleting sec. 7 and adding:

**“Sec. 7. (Deleted by amendment.)”.**

Amend sec. 9, page 6, line 37, by deleting:

**“subsection {2} 3 of” and inserting:**

SH/KP

Date: 5/23/2005

A.B. No. 290—Makes various changes to provisions relating to common-interest communities.



~~“[subsection 2 of]”.~~

Amend sec. 10, page 6, by deleting lines 42 through 44 and inserting:

“subsection 2 of NRS 116.4101, a unit’s owner ***or his authorized agent*** shall furnish to a purchaser ~~[before an offer to purchase a unit becomes binding on the purchaser:]~~ ***a resale package containing all the following:***”.

Amend sec. 10, page 7, by deleting lines 7 through 10 and inserting:

“(c) ~~[The]~~ ***A copy of the*** current operating budget of the association and ~~[a]~~ ***current year-to-date*** financial statement for the association, which must include a summary of the ~~[financial components of the study of the]~~ reserves of the association required by NRS 116.31152 ~~[;]~~ and ***which must include, without limitation, a summary of the information described in paragraphs (a) to (e), inclusive, of subsection 2 of NRS 116.31152; and***”.

Amend sec. 10, page 7, by deleting lines 15 through 38 and inserting:

“2. The ~~[association, within]~~ ***purchaser may, by written notice, cancel the contract of purchase until midnight of the fifth calendar day following the date of receipt of the resale package described in subsection 1, and the contract for purchase must contain a provision to that effect. If the purchaser elects to cancel a contract pursuant to this subsection, he must hand deliver the notice of cancellation to the unit’s owner or his authorized agent or mail the notice of cancellation by prepaid United States mail to the unit’s owner or his authorized agent. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded promptly. If the purchaser has accepted a conveyance of the unit, the purchaser is not entitled to:***

(a) ***Cancel the contract pursuant to this subsection; or***

*(b) Damages, rescission or other relief based solely on the ground that the unit's owner or his authorized agent failed to furnish the resale package, or any portion thereof, as required by this section.*

3. *Within 10 days after receipt of a written request by a unit's owner ~~[,]~~ or his authorized agent, the association shall furnish ~~[a certificate containing]~~ all the following to the unit's owner or his authorized agent for inclusion in the resale package:*

*(a) Copies of the documents required pursuant to paragraphs (a) and (c) of subsection 1; and*

*(b) A certificate containing the information necessary to enable the unit's owner to comply with paragraphs (b) and (d) of subsection 1. ~~[A unit's owner providing a]~~*

4. *If the association furnishes the documents and certificate pursuant to subsection ~~[1 is not]~~ 3:*

*(a) The unit's owner or his authorized agent shall include the documents and certificate in the resale package provided to the purchaser, and neither the unit's owner nor his authorized agent is liable to the purchaser for any erroneous information provided by the association and included in the documents and certificate.*

~~[3.]~~ *(b) The association may charge the unit's owner a reasonable fee to cover the cost of preparing the certificate furnished pursuant to subsection 3. Such a fee must be based on the actual cost the association incurs to fulfill the requirements of this section in preparing the certificate. The Commission shall adopt regulations establishing the maximum amount of the fee an association may charge for preparing the certificate.*

*(c) The association may charge the unit's owner a reasonable fee, not to exceed 25 cents per page, to cover the cost of copying the other documents furnished pursuant to subsection 3.*

*(d) Except for the fees permitted pursuant to paragraphs (b) and (c), the association may not charge the unit's owner any other fees for preparing or furnishing the documents and certificate pursuant to subsection 3.*

5. Neither a purchaser nor the purchaser's interest in a unit is liable for any unpaid assessment or fee greater than the amount set forth in the *documents and* certificate prepared by the association. If the association fails to furnish the *documents and* certificate within the 10 days allowed by ~~[subsection 2,]~~ *this section*, the seller is not liable for the delinquent assessment.

~~[4.]~~ 6. Upon the request of a unit's owner ~~[,]~~ *or his authorized agent or upon the request of* a purchaser to whom the unit's owner has provided a ~~[certificate]~~ *resale package* pursuant to ~~[subsection 1 or an]~~ *this section or his* authorized agent, ~~[of the unit's owner or the purchaser,]~~ the".

Amend sec. 11, page 8, by deleting lines 11 through 18 and inserting:

**"1. YOU GENERALLY HAVE 5 DAYS TO CANCEL THE PURCHASE AGREEMENT?**

*When you enter into a purchase agreement to buy a home or unit in a common-interest community, in most cases you should receive either a public offering statement, if you are the original purchaser of the home or unit, or a resale package, if you are not the original purchaser. The law generally provides for a 5-day period in which you have the right to cancel the purchase agreement. The 5-day period begins on different starting dates, depending on whether you receive a public offering statement or a resale package. Upon receiving a public offering statement or a resale package, you should make sure you are informed of the deadline for exercising your right to cancel. In order to exercise your right to cancel, the law generally requires that you hand deliver the notice of cancellation to the seller within the 5-day period, or mail the notice of cancellation to the seller by prepaid United States mail within the 5-day period. For more*

*information regarding your right to cancel, see Nevada Revised Statutes 116.4108, if you received a public offering statement, or Nevada Revised Statutes 116.4109, if you received a resale package.*

2. YOU ARE AGREEING TO RESTRICTIONS ON HOW YOU CAN USE YOUR PROPERTY?

These restrictions are contained in a document known as the Declaration of Covenants, Conditions and Restrictions [~~(C, C & R's)~~] *that should be provided for your review before making your purchase. The ~~C, C & R's~~ (CC&Rs). The CC&Rs become a part of the*".

Amend sec. 11, page 8, lines 21 and 26, by deleting:

"C, C & R's," and inserting:

"~~[C, C & R's]~~ **CC&Rs**,".

Amend sec. 11, page 8, line 28, by deleting:

"C, C&R's" and inserting:

"~~[C, C&R's]~~ **CC&Rs**".

Amend sec. 11, page 8, line 31, by deleting "2." and inserting "~~[2.]~~ 3.".

Amend sec. 11, page 8, lines 36 and 38, by deleting "homeowner's" and inserting

"~~[homeowner's]~~ **homeowners**".

Amend sec. 11, page 8, line 44, after "components" by inserting:

*"of the common elements"*.

Amend sec. 11, page 9, line 2, by deleting "maintain adequate" and inserting:

"~~[maintain]~~ **provide** adequate *funding for*".

Amend sec. 11, page 9, line 5, by deleting "3." and inserting "~~[3.]~~ 4.".

Amend sec. 11, page 9, by deleting lines 14 through 17 and inserting:

~~“[4.]~~ 5. YOU MAY BECOME A MEMBER OF A ~~[HOMEOWNER’S]~~ **HOMEOWNERS’** ASSOCIATION THAT HAS THE POWER TO AFFECT HOW YOU USE AND ENJOY YOUR PROPERTY?

Many common-interest communities have a ~~[homeowner’s]~~ **homeowners”**.

Amend sec. 11, page 9, line 26, by deleting:

“day to day” and inserting:

~~“[day to day]~~ **day-to-day”**.

Amend sec. 11, page 9, line 31, after “professional” by inserting “**community**”.

Amend sec. 11, page 9, line 33, by deleting “Homeowner’s” and inserting “~~[Homeowner’s]~~ **Homeowners”**”.

Amend sec. 11, page 9, line 38, by deleting:

“C, C & R’s” and inserting:

~~“[C, C & R’s]~~ **CC&Rs”**.

Amend sec. 11, page 10, by deleting lines 6 through 35 and inserting:

“bodies that are more responsive to your needs. If ~~[persons controlling the association or its management are not complying with state laws or the governing documents, your remedy is typically to seek]~~ **you have a dispute with the association, its executive board or other governing bodies, you may be able to resolve the dispute through the complaint, investigation and intervention process administered by the Office of the Ombudsman for Owners in Common-Interest Communities, the Nevada Real Estate Division and the Commission for Common-Interest Communities. However, to resolve some disputes, you may have** to mediate or arbitrate the dispute

and, if mediation or arbitration is unsuccessful, ***you may have to*** file a lawsuit and ask a court to resolve the dispute. In addition to your personal cost in mediation or arbitration, or to prosecute a lawsuit, you may be responsible for paying your share of the association's cost in defending against your claim. ~~[There is no government agency in this State that investigates or intervenes to resolve disputes in homeowner's associations.]~~

—5.] **6. YOU ARE REQUIRED TO PROVIDE PROSPECTIVE ~~[BUYERS]~~ *PURCHASERS* OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN YOUR COMMON-INTEREST COMMUNITY?**

The law requires you to provide ~~[to]~~ a prospective purchaser of your property ~~[, before you enter into a purchase agreement,]~~ ***with*** a copy of the community's governing documents, including the ~~[C, C & R's,]~~ ***CC&Rs***, association bylaws, and rules and regulations, as well as a copy of this document. You are also required to provide a copy of the association's current ***year-to-date*** financial statement, ***including, without limitation, the most recent audited or reviewed financial statement, a copy of the association's*** operating budget and information regarding the amount of the monthly assessment for common expenses, including the amount set aside as reserves for the repair, replacement and restoration of common elements. You are also required to inform prospective purchasers of any outstanding judgments or lawsuits pending against the association of which you are aware. ~~[You are also required to provide a copy of the minutes from the most recent meeting of the homeowner's association or its executive board.]~~ For more information regarding these requirements, see Nevada Revised Statutes ~~[116.4103 and 116.4109.]~~

—6.] ***116.4109.***

**7. YOU HAVE CERTAIN RIGHTS REGARDING”.**

Amend sec. 11, page 11, line 8, by deleting “7.” and inserting “[7.] 8.”.

Amend sec. 11, page 11, line 14, before “Ombudsman” by inserting:

*“Office of the”.*

Amend the title of the bill, eighth line, by deleting “unit;” and inserting:

“unit unless the association is acting in accordance with the declaration or certain laws and regulations;”.