

Assembly Bill No. 423—Assemblywoman Leslie

CHAPTER.....

AN ACT relating to community land trusts; providing that a community land trust is exempt from prohibitions on the use of “trust” in its corporate name; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Section 1 of this bill provides an exemption for community land trusts from a prohibition on the use of the word “trust” for organizations other than certain specifically excepted financial institutions. (NRS 669.095) **Section 2** of this bill provides an exemption for community land trusts from a prohibition on the use of the word “trust” in the names of nonprofit corporations. (NRS 82.106)

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

Section 1. NRS 669.095 is hereby amended to read as follows:
669.095 1. Except as otherwise provided in subsection 2, no person or organization formed and doing business under the laws of this State or any other state may:

(a) Use the word “trust” or any direct derivative of that word as a part of its name.

(b) Advertise or use any sign with the word “trust” used as a part of its name.

2. The provisions of subsection 1 do not apply to a person or organization which:

(a) Is supervised by the Commissioner of Financial Institutions pursuant to this chapter or chapters 657 to 668, inclusive, 673 or 677 of NRS;

(b) Is doing business under the laws of the United States or another state relating to banks, savings banks, savings and loan associations or thrift companies;

(c) Is acting under an appointment pursuant to NRS 662.245;

~~for~~

(d) Is supervised by the Commissioner of Insurance ~~H~~; or

(e) Is doing business solely as a community land trust.

3. As used in this section, “community land trust” has the meaning ascribed to it in NRS 82.106.

Sec. 2. NRS 82.106 is hereby amended to read as follows:

82.106 1. ~~The~~ *Except as otherwise provided in this subsection, the* Secretary of State shall not accept for filing pursuant



to this chapter any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed or existing pursuant to this chapter if the name of the corporation contains the words “trust,” “engineer,” “engineered,” “engineering,” “professional engineer” or “licensed engineer.” *The provisions of this subsection concerning the use of the word “trust” do not apply to any corporation formed or existing pursuant to this chapter that is doing business solely as a community land trust.*

2. The Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed or existing under this chapter when it appears from the articles or the certificate of amendment that the business to be carried on by the corporation is subject to supervision by the Commissioner of Insurance.

3. The Secretary of State shall not accept for filing pursuant to this chapter any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed or existing pursuant to this chapter if the name of the corporation contains the word “accountant,” “accounting,” “accountancy,” “auditor” or “auditing.”

4. The Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed or existing pursuant to the laws of this State which provides that the name of the corporation contains the words “common-interest community,” “community association,” “master association,” “unit-owners’ association” or “homeowners’ association” or if it appears in the articles of incorporation or certificate of amendment that the purpose of the corporation is to operate as a unit-owners’ association pursuant to chapter 116 of NRS unless the Administrator of the Real Estate Division of the Department of Business and Industry certifies that the corporation has:

(a) Registered with the Ombudsman for Owners in Common-Interest Communities pursuant to NRS 116.31158; and

(b) Paid to the Administrator of the Real Estate Division the fees required pursuant to NRS 116.31155.

5. As used in this section:

(a) “Community land trust” means an organization that:

(1) Acquires parcels of land that are:

(I) Held in perpetuity; and

(II) Primarily for conveyance under long-term ground leases;

(2) Transfers ownership of any structural improvements located on the leased parcels to the lessees;



(3) When leasing parcels, retains as a condition of the lease a right to purchase any structural improvements at a price determined by a formula that is designed to ensure that the improvements remain affordable to low- and moderate-income persons in perpetuity; and

(4) Has its corporate membership open to any adult resident of a particular geographic area that is specified in the bylaws of the organization.

(b) “Ground lease” means a lease of land only.

