

SENATE BILL NO. 362—SENATOR SCHNEIDER

MARCH 19, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes to the provisions governing common-interest communities. (BDR 10-110)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to common-interest communities; limiting the powers of an association concerning eminent domain and the imposition of fees; prohibiting the unreasonable restriction on alterations to the exteriors of units; providing for the automatic appeal to the Commission on Common-Interest Communities of certain fines and penalties; revising the provisions concerning the election and removal of members of an executive board; revising the provisions relating to political signs, drought tolerant landscaping and investigations of complaints; making various other changes to the provisions governing common-interest communities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth provisions concerning a unit or the common elements of an association acquired by eminent domain. (NRS 116.1107) **Section 2** of this bill provides that the existing provisions do not authorize an association to exercise the power of eminent domain.

Sections 5 and 28 of this bill revise existing law to limit an association's power to restrict and impose fines for the parking or storing of utility service vehicles in a common-interest community and to waive provisions of governing documents. (NRS 116.3102, 116.350)

Existing law permits executive boards to impose fines and construction penalties but provides no right of automatic appeal to the Commission on Common-Interest Communities. (NRS 116.310305, 116.31031) **Sections 7 and 8** of this bill provide for the automatic appeal to the Commission of such fines and penalties. **Section 8** also limits an executive board from imposing fines against a unit's owner under certain circumstances.



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Sections 9, 10 and 12 of this bill revise provisions relating to elections by: (1) providing that officers of an association need not be units' owners; (2) providing rights for candidates for the executive board; (3) reducing the votes necessary for removal of a member of an executive board; and (4) prohibiting an association from interfering with the collection of certain petition signatures. (NRS 116.31034, 116.31036, 116.3108)

Sections 13-15 of this bill revise provisions relating to board meetings and hearings by: (1) requiring that meetings of the executive board be audio recorded and available in a certain manner; (2) requiring that certain written complaints be placed on the agenda; and (3) providing due process protections to units' owners at certain hearings. (NRS 116.31083, 116.31085, 116.31087) **Section 13** also revises existing law to allow public comments to be made after every agenda item instead of at the beginning of a meeting. (NRS 116.31083)

Sections 16 and 17 of this bill revise existing provisions relating to financial statements by allowing the Commission to waive the qualification requirements of auditors for certain associations and by allowing the executive board to impose assessments to establish adequate reserves without the approval of units' owners. (NRS 116.31144, 116.3115)

Section 18 of this bill revises existing law by providing for the filing of actions in district court to recover certain fees, administrative penalties and interest that were imposed erroneously. (NRS 116.31155)

Sections 20 and 21 of this bill revise existing provisions relating to foreclosure sales by requiring an association to obtain the approval of the Commission before attempting to foreclose on a lien and by providing that lien sales are subject to an equity or right of redemption. (NRS 116.3116, 116.31166)

Sections 22, 23 and 27 of this bill provide additional units' owners' rights by requiring that official association publications provide equal space for opposing viewpoints and by increasing the scope and definition of retaliatory action prohibited against units' owners and by mandating notice before an association may interrupt utility service to a unit's owner. (NRS 116.31175, 116.31183, 116.345)

Section 24 of this bill revises existing law by including financing as a prohibited activity for members of the executive board and officers. (NRS 116.31187)

Sections 30, 31 and 36-39 of this bill revise provisions relating to the Commission's duties by providing for training officers to give instruction to certain persons and to prepare a policy manual, eliminating claims processing as a duty of the Ombudsman for Owners in Common-Interest Communities, establishing a schedule for investigations of certain violations and allocating expenses and attorneys fees for hearings. (NRS 116.605, 116.625, 116.765, 116.775, 116.785, 116.790)

Section 41 of this bill revises existing law to require applicants for community managers to post a bond. (NRS 116A.410)

Section 45 of this bill repeals the existing provisions governing the mediation and arbitration of claims relating to residential property within a common-interest community.

WHEREAS, The Nevada Legislature previously deemed it important to set forth its intent regarding the creation and proper functioning of planned communities; and

WHEREAS, The Nevada Legislature previously noted that planned communities are a dominant method of residential development in the State of Nevada; and



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1 WHEREAS, The Nevada Legislature previously noted that
2 planned communities are developed for the purposes of preserving
3 neighborhood continuity and creating desirable places to reside; and

4 WHEREAS, The Nevada Legislature previously noted that
5 planned communities are governed by specific rules and regulations
6 and by unit-owners' associations; and

7 WHEREAS, The Nevada Legislature previously noted that a unit-
8 owners' association is the form of self-government closest to the
9 people; and

10 WHEREAS, The Nevada Legislature previously declared that all
11 forms of government should follow the basic principles of
12 democracy found in the United States Constitution and the Nevada
13 Constitution; and

14 WHEREAS, The Nevada Legislature previously noted that some
15 unit-owners' associations in this State have a history of abuse of
16 power; and

17 WHEREAS, The Nevada Legislature previously noted that unit-
18 owners' associations have power over one of the most important
19 aspects of a person's life, his residence; and

20 WHEREAS, The Nevada Legislature previously noted that
21 homeowners invest financially and emotionally in their homes; and

22 WHEREAS, The Nevada Legislature previously declared that
23 homeowners have the right to reside in a community without fear of
24 illegal, unfair, unnecessary, unduly burdensome or costly
25 interference with their property rights; and

26 WHEREAS, Many of the concerns previously noted by the
27 Nevada Legislature persist to this day; and

28 WHEREAS, The Nevada Legislature deems it necessary and
29 important to reiterate and endorse both the intent and the concerns
30 previously expressed by the Nevada Legislature; and

31 WHEREAS, The establishment of planned communities is
32 required by many local governments as a condition of granting
33 necessary building permits for residential housing; and

34 WHEREAS, The form of self government of a unit-owners'
35 association includes legislative, executive and quasi-judicial powers
36 and functions; now, therefore,

37
38 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
39 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
40

41 **Section 1.** NRS 116.021 is hereby amended to read as follows:
42 116.021 **1.** "Common-interest community" means real estate
43 with respect to which a person, by virtue of his ownership of a unit,
44 is obligated to pay for real estate other than that unit. [{"Ownership"}]



1 2. *As used in this section, "ownership" of a unit* does not
2 include holding a leasehold interest of less than 20 years in a unit,
3 including options to renew.

4 3. *For the purposes of determining whether real estate is a*
5 *"common-interest community" pursuant to this section, the fact*
6 *that the real estate is subject to covenants, conditions or*
7 *restrictions is not relevant or determinative.*

8 **Sec. 2.** NRS 116.1107 is hereby amended to read as follows:

9 116.1107 1. If a unit is acquired by eminent domain or part
10 of a unit is acquired by eminent domain leaving the unit's owner
11 with a remnant that may not practically or lawfully be used for any
12 purpose permitted by the declaration, the award must include
13 compensation to the unit's owner for that unit and its allocated
14 interests, whether or not any common elements are acquired. Upon
15 acquisition, unless the decree otherwise provides, that unit's
16 allocated interests are automatically reallocated to the remaining
17 units in proportion to the respective allocated interests of those units
18 before the taking, and the association shall promptly prepare,
19 execute and record an amendment to the declaration reflecting the
20 reallocations. Any remnant of a unit remaining after part of a unit is
21 taken under this subsection is thereafter a common element.

22 2. Except as otherwise provided in subsection 1, if part of a
23 unit is acquired by eminent domain, the award must compensate the
24 unit's owner for the reduction in value of the unit and its interest in
25 the common elements, whether or not any common elements are
26 acquired. Upon acquisition, unless the decree otherwise provides:

27 (a) That unit's allocated interests are reduced in proportion to
28 the reduction in the size of the unit, or on any other basis specified
29 in the declaration; and

30 (b) The portion of the allocated interests divested from the
31 partially acquired unit are automatically reallocated to that unit and
32 to the remaining units in proportion to the respective allocated
33 interests of those units before the taking, with the partially acquired
34 unit participating in the reallocation on the basis of its reduced
35 allocated interests.

36 3. If part of the common elements is acquired by eminent
37 domain, the portion of the award attributable to the common
38 elements taken must be paid to the association. Unless the
39 declaration provides otherwise, any portion of the award attributable
40 to the acquisition of a limited common element must be equally
41 divided among the owners of the units to which that limited
42 common element was allocated at the time of acquisition.

43 4. The judicial decree must be recorded in every county in
44 which any portion of the common-interest community is located.



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1 ***5. The provisions of this section do not authorize an***
2 ***association to exercise the power of eminent domain pursuant to***
3 ***chapter 37 of NRS, and an association may not exercise the power***
4 ***of eminent domain, as provided in NRS 37.0097.***

5 **Sec. 3.** NRS 116.1206 is hereby amended to read as follows:

6 116.1206 1. Any provision contained in a declaration, bylaw
7 or other governing document of a common-interest community that
8 violates the provisions of this chapter ~~[shall]~~ :

9 ***(a) Shall*** be deemed to conform with those provisions by
10 operation of law, and any such declaration, bylaw or other
11 governing document is not required to be amended to conform to
12 those provisions.

13 ***(b) Is superseded by the provisions of this chapter, regardless***
14 ***of whether the provision contained in the declaration, bylaw or***
15 ***other governing document became effective before the enactment***
16 ***of the provision of this chapter that is being violated.***

17 2. In the case of amendments to the declaration, bylaws or plats
18 and plans of any common-interest community created before
19 January 1, 1992:

20 (a) If the result accomplished by the amendment was permitted
21 by law before January 1, 1992, the amendment may be made either
22 in accordance with that law, in which case that law applies to that
23 amendment, or it may be made under this chapter; and

24 (b) If the result accomplished by the amendment is permitted by
25 this chapter, and was not permitted by law before January 1, 1992,
26 the amendment may be made under this chapter.

27 3. An amendment to the declaration, bylaws or plats and plans
28 authorized by this section to be made under this chapter must be
29 adopted in conformity with the applicable provisions of chapter 117
30 or 278A of NRS and with the procedures and requirements specified
31 by those instruments. If an amendment grants to any person any
32 rights, powers or privileges permitted by this chapter, all correlative
33 obligations, liabilities and restrictions in this chapter also apply to
34 that person.

35 **Sec. 4.** NRS 116.2111 is hereby amended to read as follows:

36 116.2111 1. Except as otherwise provided in this section and
37 subject to the provisions of the declaration and other provisions of
38 law, a unit's owner:

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

43 (b) May not change the appearance of the common elements, or
44 the exterior appearance of a unit or any other portion of the



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1 common-interest community, without permission of the association;
2 and

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

10 2. An association may not:

11 (a) Unreasonably restrict, prohibit or otherwise impede the
12 lawful rights of a unit's owner to have reasonable access to his unit.

13 (b) Unreasonably restrict, prohibit or withhold approval for a
14 unit's owner to add to a unit:

15 (1) Improvements such as ramps, railings or elevators that
16 are necessary to improve access to the unit for any occupant of the
17 unit who has a disability;

18 (2) Additional locks to improve the security of the unit;

19 (3) Shutters to improve the security of the unit or to reduce
20 the costs of energy for the unit; or

21 (4) A system that uses wind energy to reduce the costs of
22 energy for the unit if the boundaries of the unit encompass 2 acres or
23 more within the common-interest community.

24 (c) With regard to approving or disapproving any improvement
25 or alteration made to a unit, act in violation of any state or federal
26 law.

27 3. ~~Any~~ *Except as otherwise provided in subsection 4, any*
28 *improvement or alteration made pursuant to subsection 2 that is*
29 *visible from any other portion of the common-interest community*
30 *must be installed, constructed or added in accordance with the*
31 *procedures set forth in the governing documents of the association*
32 *and must be selected or designed to the maximum extent practicable*
33 *to be compatible with the style of the common-interest community*
34 *⌈*, *but the association shall not unreasonably delay, deny or*
35 *withhold any required approval for any improvement or alteration*
36 *or unreasonably determine that the improvement or alteration is*
37 *not compatible with the style of the common-interest community.*
38 *For the purposes of this subsection, there is a rebuttable*
39 *presumption that the association has unreasonably delayed any*
40 *required approval if the association has not acted on the request*
41 *for approval within 21 calendar days after the request is submitted*
42 *to the association.*

43 4. *A unit's owner may, without permission of the association,*
44 *change the appearance of a wall or roof which is adjoining his*



1 *unit and which is a common element or limited common element*
2 *to make an improvement or alteration described in subsection 2.*

3 5. *A unit's owner may, without permission of the association,*
4 *change the exterior appearance of his unit if the change involves*
5 *adding to the unit:*

6 (a) *Shutters to improve the security of the unit or to reduce the*
7 *costs of energy for the unit;*

8 (b) *A system that uses wind energy as described in*
9 *subparagraph 4 of paragraph (b) of subsection 2; or*

10 (c) *A system for obtaining solar energy.*

11 6. *A unit's owner may not add to the unit a system that uses*
12 *wind energy as described in subparagraph 4 of paragraph (b) of*
13 *subsection 2 unless he first obtains the written consent of each*
14 *owner of property within 300 feet of any boundary of the unit.*

15 7. *Notwithstanding any other provision of this chapter, in*
16 *accordance with the provisions of NRS 111.239, any provision in*
17 *the governing documents that prohibits or unreasonably restricts*
18 *the use of a system for obtaining solar or wind energy for his unit*
19 *is void and unenforceable. For the purposes of this subsection,*
20 *"unreasonably restricts the use of a system for obtaining solar or*
21 *wind energy" means placing a restriction or requirement on the*
22 *use of such a system which significantly decreases the efficiency*
23 *or performance of the system and does not allow for the use of an*
24 *alternative system at a comparable cost and with comparable*
25 *efficiency and performance.*

26 **Sec. 5.** NRS 116.3102 is hereby amended to read as follows:

27 116.3102 1. Except as otherwise provided in subsection 2,
28 and subject to the provisions of the declaration, the association may
29 do any or all of the following:

30 (a) Adopt and amend bylaws, rules and regulations.

31 (b) Adopt and amend budgets for revenues, expenditures and
32 reserves and collect assessments for common expenses from the
33 units' owners.

34 (c) Hire and discharge managing agents and other employees,
35 agents and independent contractors.

36 (d) Institute, defend or intervene in litigation or administrative
37 proceedings in its own name on behalf of itself or two or more units'
38 owners on matters affecting the common-interest community.

39 (e) Make contracts and incur liabilities.

40 (f) Regulate the use, maintenance, repair, replacement and
41 modification of common elements.

42 (g) Cause additional improvements to be made as a part of the
43 common elements.

44 (h) Acquire, hold, encumber and convey in its own name any
45 right, title or interest to real estate or personal property, but:



(1) Common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to NRS 116.3112; and

(2) Part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to NRS 116.3112.

(i) Grant easements, leases, licenses and concessions through or over the common elements.

(j) Impose and receive any payments, fees or charges for the use, rental or operation of the common elements, other than limited common elements described in subsections 2 and 4 of NRS 116.2102, and for services provided to the units' owners.

(k) Impose charges for late payment of assessments.

(l) Impose construction penalties when authorized pursuant to NRS 116.310305.

(m) Impose reasonable fines for violations of the governing documents of the association only if the association complies with the requirements set forth in NRS 116.31031. *This paragraph does not authorize an association to impose reasonable fines for violations of the governing documents of the association that pertain to the parking or storage of vehicles if the association is prohibited from regulating the parking or storage of such vehicles pursuant to NRS 116.350.*


(n) Impose reasonable charges for the preparation and recordation of any amendments to the declaration or any statements of unpaid assessments, and impose reasonable fees, not to exceed the amounts authorized by NRS 116.4109, for preparing and furnishing the documents and certificate required by that section.

(o) Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance.

(p) Assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.

(q) Exercise any other powers conferred by the declaration or bylaws.

(r) Exercise all other powers that may be exercised in this State by legal entities of the same type as the association.

(s) Direct the removal of vehicles improperly parked on property owned or leased by the association, as authorized pursuant to NRS 487.038, or improperly parked on any road, street, alley or other thoroughfare within the common-interest community in violation of the governing documents , *unless the association is prohibited from regulating the parking or storage of such vehicles pursuant to NRS 116.350.* In addition to complying with the requirements of NRS 487.038 and any requirements in the governing documents, if a



1 vehicle is improperly parked as described in this paragraph, the
2 association must post written notice in a conspicuous place on the
3 vehicle or provide oral or written notice to the owner or operator of
4 the vehicle at least 48 hours before the association may direct the
5 removal of the vehicle, unless the vehicle:

6 (1) Is blocking a fire hydrant, fire lane or parking space
7 designated for the handicapped; or

8 (2) Poses an imminent threat of causing a substantial adverse
9 effect on the health, safety or welfare of the units' owners or
10 residents of the common-interest community.

11 (t) Exercise any other powers necessary and proper for the
12 governance and operation of the association.

13 2. The declaration may not impose limitations on the power of
14 the association to deal with the declarant which are more restrictive
15 than the limitations imposed on the power of the association to deal
16 with other persons.

17 **Sec. 6.** NRS 116.3103 is hereby amended to read as follows:

18 116.3103 1. Except as otherwise provided in the declaration,
19 the bylaws, this section or other provisions of this chapter, the
20 executive board may act in all instances on behalf of the association.
21 In the performance of their duties, the officers and members of the
22 executive board are fiduciaries. The members of the executive board
23 are required to exercise the ordinary and reasonable care of directors
24 of a corporation, subject to the business-judgment rule.

25 2. The executive board may not act on behalf of the association
26 to amend the declaration, to terminate the common-interest
27 community, or to elect members of the executive board or determine
28 their qualifications, powers and duties or terms of office, but the
29 executive board may fill vacancies in its membership for the
30 unexpired portion of any term.

31 ***3. The executive board may not waive or refuse to enforce***
32 ***any provision of the governing documents.***

33 **Sec. 7.** NRS 116.310305 is hereby amended to read as
34 follows:

35 116.310305 1. A unit's owner shall adhere to a schedule
36 required by the association for:

37 (a) The completion of the design of a unit or the design of an
38 improvement to a unit;

39 (b) The commencement of the construction of a unit or the
40 construction of an improvement to a unit;

41 (c) The completion of the construction of a unit or the
42 construction of an improvement to the unit; or

43 (d) The issuance of a permit which is necessary for the
44 occupancy of a unit or for the use of an improvement to a unit.



2. The association may impose and enforce a construction penalty against a unit's owner who fails to adhere to a schedule as required pursuant to subsection 1 if:

(a) The maximum amount of the construction penalty and the schedule are set forth in:

(1) The declaration;

(2) Another document related to the common-interest community that is recorded before the date on which the unit's owner acquired title to the unit; or

(3) A contract between the unit's owner and the association; and

(b) The unit's owner receives notice of the alleged violation which informs him that he has a right to a hearing on the alleged violation.

3. If the association imposes a construction penalty against a unit's owner pursuant to the provisions of this section, an appeal to the Commission is deemed automatically taken by the unit's owner without any action by him, unless he affirmatively waives the appeal within 30 days after the imposition of the construction penalty. A construction penalty imposed by the association must be stayed until a review of the appeal by the Commission is completed. The Commission, when reviewing an appeal, may affirm the imposition of a construction penalty, set aside the imposition of a construction penalty or change the amount of any construction penalty.

4. For the purposes of this chapter, a construction penalty is not a fine.

Sec. 8. NRS 116.31031 is hereby amended to read as follows:

116.31031 1. Except as otherwise provided in this section, if a unit's owner or a tenant or guest of a unit's owner violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

(a) Prohibit, for a reasonable time, the unit's owner or the tenant or guest of the unit's owner from:

(1) Voting on matters related to the common-interest community.

(2) Using the common elements. The provisions of this subparagraph do not prohibit the unit's owner or the tenant or guest of the unit's owner from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.

(b) Impose a fine against the unit's owner or the tenant or guest of the unit's owner for each violation, except that a fine may not be imposed for a violation that is the subject of a construction penalty pursuant to NRS 116.310305. If the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or



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welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents. If the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents, but the amount of the fine must not exceed \$100 for each violation or a total amount of \$1,000, whichever is less. The limitations on the amount of the fine do not apply to any interest, charges or costs that may be collected by the association pursuant to this section if the fine becomes past due.

2. The executive board may not impose a fine pursuant to subsection 1 against a unit's owner for a violation of any provision of the governing documents of an association committed by a tenant or guest of the unit's owner unless the unit's owner:

(a) Participated in or authorized the violation;

(b) Had prior notice of the violation; or

(c) Had an opportunity to stop the violation and failed to do so.

3. The executive board may not impose a fine pursuant to subsection 1 unless:

(a) Not less than 30 days before the violation, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the violation; and

(b) Within a reasonable time after the discovery of the violation, the person against whom the fine will be imposed has been provided with:

(1) Written notice specifying the details of the violation, the amount of the fine, and the date, time and location for a hearing on the violation; and

(2) A reasonable opportunity to contest the violation at the hearing.

~~[3.]~~ 4. The executive board must schedule the date, time and location for the hearing on the violation so that the person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing.

~~[4.]~~ 5. The executive board must hold a hearing before it may impose the fine, unless the person against whom the fine will be imposed:

(a) Pays the fine;

(b) Executes a written waiver of the right to the hearing; or



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(c) Fails to appear at the hearing after being provided with proper notice of the hearing.

~~[5-]~~ 6. *If the executive board imposes a fine pursuant to the provisions of this section, an appeal to the Commission is deemed automatically taken by the unit's owner or the tenant or guest of the unit's owner without any action by him for a fine imposed pursuant to paragraph (b) of subsection 1 that exceeds \$5,000 or that is for a violation which poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, unless he affirmatively waives the appeal within 30 days after the imposition of the fine. A fine imposed by the executive board must be stayed until a review of the appeal by the Commission is completed. The Commission, when reviewing an appeal, may affirm the imposition of a fine, set aside the imposition of a fine or change the amount of any fine.*

7. If ~~[a]~~ *the Commission affirms the* fine ~~[is]~~ imposed pursuant to subsection 1 and the violation is not cured within 14 days ~~[f]~~ *of the decision by the Commission*, or within any longer period that may be established by the executive board, the violation shall be deemed a continuing violation. Thereafter, the executive board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

~~[6-]~~ 8. If the governing documents so provide, the executive board may appoint a committee, with not less than three members, to conduct hearings on violations and to impose fines pursuant to this section. While acting on behalf of the executive board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.

~~[7-]~~ 9. The provisions of this section establish the minimum procedural requirements that the executive board must follow before it may impose a fine. The provisions of this section do not preempt any provisions of the governing documents that provide greater procedural protections.

~~[8-]~~ 10. Any past due fine:

(a) Bears interest at the rate established by the association, not to exceed the legal rate per annum.

(b) May include any costs of collecting the past due fine at a rate established by the association. If the past due fine is for a violation that does not threaten the health, safety or welfare of the residents of the common-interest community, the rate established by the association for the costs of collecting the past due fine:



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(1) May not exceed \$20, if the outstanding balance is less than \$200.

(2) May not exceed \$50, if the outstanding balance is \$200 or more, but is less than \$500.

(3) May not exceed \$100, if the outstanding balance is \$500 or more, but is less than \$1,000.

(4) May not exceed \$250, if the outstanding balance is \$1,000 or more, but is less than \$5,000.

(5) May not exceed \$500, if the outstanding balance is \$5,000 or more.

(c) May include any costs incurred by the association during a civil action to enforce the payment of the past due fine.

~~9-1~~ **11.** As used in this section:

(a) "Costs of collecting" includes, without limitation, any collection fee, filing fee, recording fee, referral fee, fee for postage or delivery, and any other fee or cost that an association may reasonably charge to the unit's owner for the collection of a past due fine. The term does not include any costs incurred by an association during a civil action to enforce the payment of a past due fine.

(b) "Outstanding balance" means the amount of a past due fine that remains unpaid before any interest, charges for late payment or costs of collecting the past due fine are added.

Sec. 9. NRS 116.31034 is hereby amended to read as follows:

116.31034 1. Except as otherwise provided in subsection 5 of NRS 116.212, not later than the termination of any period of declarant's control, the units' owners shall elect an executive board of at least three members, at least a majority of whom must be units' owners. Unless the governing documents provide otherwise, the remaining members of the executive board do not have to be units' owners. The executive board shall elect the officers of the association. *Unless the governing documents provide otherwise, the officers of the association do not have to be units' owners.* The members of the executive board and the officers of the association shall take office upon election.

2. The term of office of a member of the executive board may not exceed 2 years, except for members who are appointed by the declarant. Unless the governing documents provide otherwise, there is no limitation on the number of terms that a person may serve as a member of the executive board.

3. The governing documents of the association must provide for terms of office that are staggered in such a manner that, to the extent possible, an equal number of members of the executive board are elected at each election. The provisions of this subsection do not apply to:



1 (a) Members of the executive board who are appointed by the
2 declarant; and

3 (b) Members of the executive board who serve a term of 1 year
4 or less.

5 4. Not less than 30 days before the preparation of a ballot for
6 the election of members of the executive board, the secretary or
7 other officer specified in the bylaws of the association shall cause
8 notice to be given to each unit's owner of his eligibility to serve as a
9 member of the executive board. Each unit's owner who is qualified
10 to serve as a member of the executive board may have his name
11 placed on the ballot along with the names of the nominees selected
12 by the members of the executive board or a nominating committee
13 established by the association.

14 5. Each person whose name is placed on the ballot as a
15 candidate for a member of the executive board must:

16 (a) Make a good faith effort to disclose any financial, business,
17 professional or personal relationship or interest that would result or
18 would appear to a reasonable person to result in a potential conflict
19 of interest for the candidate if the candidate were to be elected to
20 serve as a member of the executive board; and

21 (b) Disclose whether the candidate is a member in good
22 standing. For the purposes of this paragraph, a candidate shall not be
23 deemed to be in "good standing" if the candidate has any unpaid and
24 past due assessments or construction penalties that are required to be
25 paid to the association.

26 ➤ The candidate must make all disclosures required pursuant to this
27 subsection in writing to the association with his candidacy
28 information. The association shall distribute the disclosures to each
29 member of the association with the ballot in the manner established
30 in the bylaws of the association.

31 6. Unless a person is appointed by the declarant:

32 (a) A person may not be a member of the executive board or an
33 officer of the association if the person, his spouse or his parent or
34 child, by blood, marriage or adoption, performs the duties of a
35 community manager for that association.

36 (b) A person may not be a member of the executive board of a
37 master association or an officer of that master association if the
38 person, his spouse or his parent or child, by blood, marriage or
39 adoption, performs the duties of a community manager for:

40 (1) That master association; or

41 (2) Any association that is subject to the governing
42 documents of that master association.

43 7. An officer, employee, agent or director of a corporate owner
44 of a unit, a trustee or designated beneficiary of a trust that owns a
45 unit, a partner of a partnership that owns a unit, a member or



1 manager of a limited-liability company that owns a unit, and a
2 fiduciary of an estate that owns a unit may be an officer of the
3 association or a member of the executive board. In all events where
4 the person serving or offering to serve as an officer of the
5 association or a member of the executive board is not the record
6 owner, he shall file proof in the records of the association that:

7 (a) He is associated with the corporate owner, trust, partnership,
8 limited-liability company or estate as required by this subsection;
9 and

10 (b) Identifies the unit or units owned by the corporate owner,
11 trust, partnership, limited-liability company or estate.

12 8. The election of any member of the executive board must be
13 conducted by secret written ballot unless the declaration of the
14 association provides that voting rights may be exercised by
15 delegates or representatives as set forth in NRS 116.31105. If the
16 election of any member of the executive board is conducted by
17 secret written ballot:

18 (a) The secretary or other officer specified in the bylaws of the
19 association shall cause a secret ballot and a return envelope to be
20 sent, prepaid by United States mail, to the mailing address of each
21 unit within the common-interest community or to any other mailing
22 address designated in writing by the unit's owner.

23 (b) Each unit's owner must be provided with at least 15 days
24 after the date the secret written ballot is mailed to the unit's owner
25 to return the secret written ballot to the association.

26 (c) A quorum is not required for the election of any member of
27 the executive board.

28 (d) Only the secret written ballots that are returned to the
29 association may be counted to determine the outcome of the
30 election.

31 (e) The secret written ballots must be opened and counted at a
32 meeting of the association. A quorum is not required to be present
33 when the secret written ballots are opened and counted at the
34 meeting.

35 (f) The incumbent members of the executive board and each
36 person whose name is placed on the ballot as a candidate for a
37 member of the executive board may not possess, be given access to
38 or participate in the opening or counting of the secret written ballots
39 that are returned to the association before those secret written ballots
40 have been opened and counted at a meeting of the association.

41 9. *An association shall not adopt any rule or regulation that*
42 *has the effect of prohibiting or interfering with a candidate in his*
43 *campaign for election as a member of the executive board, except*
44 *that his campaign may be limited to 90 days before the date that*
45 *ballots are required to be returned to the association. A candidate*



1 *may request that the secretary or other officer specified in the*
2 *bylaws of the association send to the mailing address of each unit*
3 *within the common-interest community or to any other mailing*
4 *address designated in writing by the unit's owner the campaign*
5 *literature of the candidate. The campaign literature may be sent*
6 *with the secret ballot mailed pursuant to subsection 8 or in a*
7 *separate mailing provided that the candidate pays for the cost of*
8 *the mailing. In the event that more than one candidate requests*
9 *that campaign literature be sent with the secret ballot mailed*
10 *pursuant to subsection 8, the costs of including the campaign*
11 *literature must be shared equally among the candidates.*

12 **10.** Each member of the executive board shall, within 90 days
13 after his appointment or election, certify in writing to the
14 association, on a form prescribed by the Administrator, that he has
15 read and understands the governing documents of the association
16 and the provisions of this chapter to the best of his ability. The
17 Administrator may require the association to submit a copy of the
18 certification of each member of the executive board of that
19 association at the time the association registers with the
20 Ombudsman pursuant to NRS 116.31158.

21 **Sec. 10.** NRS 116.31036 is hereby amended to read as
22 follows:

23 116.31036 1. Notwithstanding any provision of the
24 declaration or bylaws to the contrary, any member of the executive
25 board, other than a member appointed by the declarant, may be
26 removed from the executive board, with or without cause, if at a
27 removal election held pursuant to this section ~~[the]~~ :

28 (a) ~~The~~ number of votes cast ~~[in favor of removal]~~ constitutes ~~[-~~
29 ~~—(a) At]~~ at least 35 percent of the total number of voting members
30 of the association; and

31 (b) At least a majority of all votes cast in that removal election
32 ~~[-]~~ *are cast in favor of removal.*

33 2. The removal of any member of the executive board must be
34 conducted by secret written ballot unless the declaration of the
35 association provides that voting rights may be exercised by
36 delegates or representatives as set forth in NRS 116.31105. If the
37 removal of a member of the executive board is conducted by secret
38 written ballot:

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



association is responsible for gathering the arguments for and against the removal of a member of the executive board by soliciting comments from, without limitation, units' owners and members of the executive board.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) Only the secret written ballots that are returned to the association may be counted to determine the outcome.

(d) The secret written ballots must be opened and counted at a meeting of the association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(e) The incumbent members of the executive board, including, without limitation, the member who is subject to the removal, may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association before those secret written ballots have been opened and counted at a meeting of the association.

3. If a member of an executive board is named as a respondent or sued for liability for actions undertaken in his role as a member of the board, the association shall indemnify him for his losses or claims, and undertake all costs of defense, unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof, the association is no longer liable for the cost of defense, and may recover costs already expended from the member of the executive board who so acted. Members of the executive board are not personally liable to the victims of crimes occurring on the property. Punitive damages may not be recovered against the association, but may be recovered from persons whose activity gave rise to the damages.

4. The provisions of this section do not prohibit the Commission from taking any disciplinary action against a member of an executive board pursuant to NRS 116.745 to 116.795, inclusive.

Sec. 11. NRS 116.3107 is hereby amended to read as follows:

116.3107 1. Except to the extent provided by the declaration, subsection 2 and NRS 116.31135, the association ~~[is responsible]~~ *has the duty to provide* for the maintenance, repair and replacement of the common elements, and each unit's owner ~~[is responsible]~~ *has the duty to provide* for the maintenance, repair and replacement of his unit. Each unit's owner shall afford to the association and the other units' owners, and to their agents or employees, access through his unit reasonably necessary for those purposes. If damage is inflicted on the common elements or on any unit through which



1 access is taken, the unit's owner responsible for the damage, or the
2 association if it is responsible, is liable for the prompt repair thereof.

3 2. In addition to the liability that a declarant as a unit's owner
4 has under this chapter, the declarant alone is liable for all expenses
5 in connection with real estate subject to developmental rights. No
6 other unit's owner and no other portion of the common-interest
7 community is subject to a claim for payment of those expenses.
8 Unless the declaration provides otherwise, any income or proceeds
9 from real estate subject to developmental rights inures to the
10 declarant.

11 3. In a planned community, if all developmental rights have
12 expired with respect to any real estate, the declarant remains liable
13 for all expenses of that real estate unless, upon expiration, the
14 declaration provides that the real estate becomes common elements
15 or units.

16 **Sec. 12.** NRS 116.3108 is hereby amended to read as follows:

17 116.3108 1. A meeting of the units' owners must be held at
18 least once each year. If the governing documents do not designate
19 an annual meeting date of the units' owners, a meeting of the units'
20 owners must be held 1 year after the date of the last meeting of the
21 units' owners. If the units' owners have not held a meeting for 1
22 year, a meeting of the units' owners must be held on the following
23 March 1.

24 2. Special meetings of the units' owners may be called by the
25 president, by a majority of the executive board or by units' owners
26 constituting at least 10 percent, or any lower percentage specified in
27 the bylaws, of the total number of voting members of the
28 association. The same number of units' owners may also call a
29 removal election pursuant to NRS 116.31036. *The association shall*
30 *not adopt any rule or regulation which prevents, discourages or*
31 *interferes with the collection of the required percentage of*
32 *signatures for a petition pursuant to this section.* To call a special
33 meeting or a removal election, the units' owners must submit a
34 written petition which is signed by the required percentage of the
35 total number of voting members of the association pursuant to this
36 section and which is mailed, return receipt requested, or served by a
37 process server to the executive board or the community manager for
38 the association. If the petition calls for a special meeting, the
39 executive board shall set the date for the special meeting so that the
40 special meeting is held not less than 15 days or more than 60 days
41 after the date on which the petition is received. If the petition calls
42 for a removal election and:

43 (a) The voting rights of the units' owners will be exercised by
44 delegates or representatives as set forth in NRS 116.31105, the
45 executive board shall set the date for the removal election so that the



1 removal election is held not less than 15 days or more than 60 days
2 after the date on which the petition is received; or

3 (b) The voting rights of the units' owners will be exercised
4 through the use of secret written ballots pursuant to NRS 116.31036,
5 the secret written ballots for the removal election must be sent in the
6 manner required by NRS 116.31036 not less than 15 days or more
7 than 60 days after the date on which the petition is received, and the
8 executive board shall set the date for the meeting to open and count
9 the secret written ballots so that the meeting is held not more than
10 15 days after the deadline for returning the secret written ballots.

11 3. Not less than 15 days or more than 60 days in advance of
12 any meeting of the units' owners, the secretary or other officer
13 specified in the bylaws shall cause notice of the meeting to be hand-
14 delivered, sent prepaid by United States mail to the mailing address
15 of each unit or to any other mailing address designated in writing by
16 the unit's owner or, if the association offers to send notice by
17 electronic mail, sent by electronic mail at the request of the unit's
18 owner to an electronic mail address designated in writing by the
19 unit's owner. The notice of the meeting must state the time and
20 place of the meeting and include a copy of the agenda for the
21 meeting. The notice must include notification of the right of a unit's
22 owner to:

23 (a) Have a copy of the minutes or a summary of the minutes of
24 the meeting provided to the unit's owner upon request and, if
25 required by the executive board, upon payment to the association of
26 the cost of providing the copy to the unit's owner.

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

29 4. The agenda for a meeting of the units' owners must consist
30 of:

31 (a) A clear and complete statement of the topics scheduled to be
32 considered during the meeting, including, without limitation, any
33 proposed amendment to the declaration or bylaws, any fees or
34 assessments to be imposed or increased by the association, any
35 budgetary changes and any proposal to remove an officer of the
36 association or member of the executive board.

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

41 (c) A period devoted to comments by units' owners *for each*
42 *item on the agenda* and *a* discussion of those comments. Except in
43 emergencies, no action may be taken upon a matter raised under this
44 item of the agenda until the matter itself has been specifically



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

3 5. If the association adopts a policy imposing fines for any
4 violations of the governing documents of the association, the
5 secretary or other officer specified in the bylaws shall prepare and
6 cause to be hand-delivered or sent prepaid by United States mail to
7 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
9 that may be imposed for those violations.

10 6. The secretary or other officer specified in the bylaws shall
11 cause minutes to be recorded or otherwise taken at each meeting of
12 the units' owners. Not more than 30 days after each such meeting,
13 the secretary or other officer specified in the bylaws shall cause the
14 minutes or a summary of the minutes of the meeting to be made
15 available to the units' owners. A copy of the minutes or a summary
16 of the minutes must be provided to any unit's owner upon request
17 and, if required by the executive board, upon payment to the
18 association of the cost of providing the copy to the unit's owner.

19 7. Except as otherwise provided in subsection 8, the minutes of
20 each meeting of the units' owners must include:

21 (a) The date, time and place of the meeting;

22 (b) The substance of all matters proposed, discussed or decided
23 at the meeting; and

24 (c) The substance of remarks made by any unit's owner at the
25 meeting if he requests that the minutes reflect his remarks or, if he
26 has prepared written remarks, a copy of his prepared remarks if he
27 submits a copy for inclusion.

28 8. The executive board may establish reasonable limitations on
29 materials, remarks or other information to be included in the
30 minutes of a meeting of the units' owners.

31 9. The association shall maintain the minutes of each meeting
32 of the units' owners until the common-interest community is
33 terminated.

34 10. A unit's owner may record on audiotape or any other
35 means of sound reproduction a meeting of the units' owners if the
36 unit's owner, before recording the meeting, provides notice of his
37 intent to record the meeting to the other units' owners who are in
38 attendance at the meeting.

39 11. The units' owners may approve, at the annual meeting of
40 the units' owners, the minutes of the prior annual meeting of the
41 units' owners and the minutes of any prior special meetings of
42 the units' owners. A quorum is not required to be present when the
43 units' owners approve the minutes.

44 12. As used in this section, "emergency" means any occurrence
45 or combination of occurrences that:



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- 1 (a) Could not have been reasonably foreseen;
- 2 (b) Affects the health, welfare and safety of the units' owners or
- 3 residents of the common-interest community;
- 4 (c) Requires the immediate attention of, and possible action by,
- 5 the executive board; and
- 6 (d) Makes it impracticable to comply with the provisions of
- 7 subsection 3 or 4.

8 **Sec. 13.** NRS 116.31083 is hereby amended to read as
9 follows:

10 116.31083 1. A meeting of the executive board must be held
11 at least once every 90 days.

12 2. Except in an emergency or unless the bylaws of an
13 association require a longer period of notice, the secretary or other
14 officer specified in the bylaws of the association shall, not less than
15 10 days before the date of a meeting of the executive board, cause
16 notice of the meeting to be given to the units' owners. Such notice
17 must be:

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

21 (b) If the association offers to send notice by electronic mail,
22 sent by electronic mail at the request of the unit's owner to an
23 electronic mail address designated in writing by the unit's owner; or

24 (c) Published in a newsletter or other similar publication that is
25 circulated to each unit's owner.

26 3. In an emergency, the secretary or other officer specified in
27 the bylaws of the association shall, if practicable, cause notice of the
28 meeting to be sent prepaid by United States mail to the mailing
29 address of each unit within the common-interest community. If
30 delivery of the notice in this manner is impracticable, the notice
31 must be hand-delivered to each unit within the common-interest
32 community or posted in a prominent place or places within the
33 common elements of the association.

34 4. The notice of a meeting of the executive board must state the
35 time and place of the meeting and include a copy of the agenda for
36 the meeting or the date on which and the locations where copies of
37 the agenda may be conveniently obtained by the units' owners. The
38 notice must include notification of the right of a unit's owner to:

39 (a) Have a copy of the *audio recording, the* minutes or a
40 summary of the minutes of the meeting provided to the unit's owner
41 upon request and, if required by the executive board, upon payment
42 to the association of the cost of providing the copy to the unit's
43 owner.

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



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1 5. The agenda of the meeting of the executive board must
2 comply with the provisions of subsection 4 of NRS 116.3108. ~~[The~~
3 ~~period required to be devoted to comments by the units' owners and~~
4 ~~discussion of those comments must be scheduled for the beginning~~
5 ~~of each meeting.]~~ In an emergency, the executive board may take
6 action on an item which is not listed on the agenda as an item on
7 which action may be taken.

8 6. At least once every 90 days, unless the declaration or bylaws
9 of the association impose more stringent standards, the executive
10 board shall review, at a minimum, the following financial
11 information at one of its meetings:

12 (a) A current year-to-date financial statement of the association;

13 (b) A current year-to-date schedule of revenues and expenses for
14 the operating account and the reserve account, compared to the
15 budget for those accounts;

16 (c) A current reconciliation of the operating account of the
17 association;

18 (d) A current reconciliation of the reserve account of the
19 association;

20 (e) The latest account statements prepared by the financial
21 institutions in which the accounts of the association are maintained;
22 and

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

25 7. The secretary or other officer specified in the bylaws shall
26 cause *each meeting of the executive board to be audio recorded*
27 *and the minutes to be recorded or otherwise taken electronically* at
28 each meeting of the executive board ~~[]~~, *but if the executive board*
29 *is meeting in executive session, the meeting must not be audio*
30 *recorded.* Not more than 30 days after each such meeting, the
31 secretary or other officer specified in the bylaws shall cause the
32 *audio recording of the meeting, the* minutes ~~[or]~~ *of the meeting*
33 *and* a summary of the minutes of the ~~[meetings]~~ *meeting* to be made
34 available to the units' owners. A copy of the *audio recording, the*
35 minutes or a summary of the minutes must be provided to any unit's
36 owner upon request and, if required by the executive board, upon
37 payment to the association of the cost of providing the copy to the
38 unit's owner.

39 8. Except as otherwise provided in subsection 9 and NRS
40 116.31085, the minutes of each meeting of the executive board must
41 include:

42 (a) The date, time and place of the meeting;

43 (b) Those members of the executive board who were present and
44 those members who were absent at the meeting;



(c) The substance of all matters proposed, discussed or decided at the meeting;

(d) A record of each member's vote on any matter decided by vote at the meeting; and

(e) The substance of remarks made by any unit's owner who addresses the executive board at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion.

9. The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings.

10. The association shall maintain the minutes of each meeting of the executive board until the common-interest community is terminated.

11. A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the executive board, unless the executive board is meeting in executive session, if the unit's owner, before recording the meeting, provides notice of his intent to record the meeting to the members of the executive board and the other units' owners who are in attendance at the meeting.

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

(a) Could not have been reasonably foreseen;

(b) Affects the health, welfare and safety of the units' owners or residents of the common-interest community;

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

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

Sec. 14. NRS 116.31085 is hereby amended to read as follows:

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

2. An executive board may not meet in executive session to enter into, renew, modify, terminate or take any other action regarding a contract, unless it is a contract between the association and an attorney.

3. An executive board may meet in executive session only to:

(a) Consult with the attorney for the association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed by the privilege set forth in NRS 49.035 to 49.115, inclusive, or to enter into, renew, modify,



1 terminate or take any other action regarding a contract between the
2 association and the attorney.

3 (b) Discuss the character, alleged misconduct, professional
4 competence, or physical or mental health of a community manager
5 or an employee of the association.

6 (c) Except as otherwise provided in subsection 4, discuss a
7 violation of the governing documents, including, without limitation,
8 the failure to pay an assessment.

9 (d) Discuss the alleged failure of a unit's owner to adhere to a
10 schedule required pursuant to NRS 116.310305 if the alleged failure
11 may subject the unit's owner to a construction penalty.

12 4. An executive board shall meet in executive session to hold a
13 hearing on an alleged violation of the governing documents unless
14 the person who may be sanctioned for the alleged violation requests
15 in writing that an open hearing be conducted by the executive board.
16 If the person who may be sanctioned for the alleged violation
17 requests in writing that an open hearing be conducted, the person:

18 (a) Is entitled to attend all portions of the hearing related to the
19 alleged violation, including, without limitation, the presentation of
20 evidence and the testimony of witnesses; ~~and~~

21 (b) *Is entitled to invite anyone he wishes, including, without*
22 *limitation, witnesses and the media, to attend with him all portions*
23 *of the hearing relating to the alleged violation;*

24 (c) *Is entitled to due process, including, without limitation, the*
25 *right to testify, the right to call witnesses, the right to confront and*
26 *cross-examine witnesses against him, the right to counsel, the*
27 *right to see all the documents considered by the executive board as*
28 *a basis for the hearing and the right to require written findings of*
29 *fact which form the basis of any decision made by the executive*
30 *board;*

31 (d) *Is entitled to one peremptory challenge of a member of the*
32 *executive board and may make any subsequent challenges for*
33 *cause; and*

34 (e) Is not entitled to attend the deliberations of the executive
35 board.

36 5. *The provisions of subsection 4 establish the minimum*
37 *protections that the executive board must provide before it may*
38 *make a decision. The provisions of subsection 4 do not preempt*
39 *any provisions of the governing documents that provide greater*
40 *protections.*

41 6. Except as otherwise provided in this subsection, any matter
42 discussed by the executive board when it meets in executive session
43 must be generally noted in the minutes of the meeting of the
44 executive board. The executive board shall maintain minutes of any
45 decision made pursuant to subsection 4 concerning an alleged



1 violation and, upon request, provide a copy of the decision to the
2 person who was subject to being sanctioned at the hearing or to his
3 designated representative.

4 ~~[6-]~~ 7. Except as otherwise provided in subsection 4, a unit's
5 owner is not entitled to attend or speak at a meeting of the executive
6 board held in executive session.

7 **Sec. 15.** NRS 116.31087 is hereby amended to read as
8 follows:

9 116.31087 1. If an executive board receives a written
10 complaint from a unit's owner alleging that the executive board has
11 violated any provision of this chapter or any provision of the
12 governing documents of the association, the executive board shall ~~[,~~
13 ~~if action is required by the executive board,~~ place the subject of the
14 complaint on the agenda of the next regularly scheduled meeting of
15 the executive board.

16 2. Not later than 10 business days after the date that the
17 association receives such a complaint, the executive board or an
18 authorized representative of the association shall acknowledge the
19 receipt of the complaint and notify the unit's owner that ~~[,~~ ~~if action~~
20 ~~is required by the executive board,~~ the subject of the complaint will
21 be placed on the agenda of the next regularly scheduled meeting of
22 the executive board.

23 **Sec. 16.** NRS 116.31144 is hereby amended to read as
24 follows:

25 116.31144 1. Except as otherwise provided in ~~[subsection 2,]~~
26 ~~this section,~~ the executive board shall:

27 (a) If the annual budget of the association is less than \$75,000,
28 cause the financial statement of the association to be audited by an
29 independent certified public accountant at least once every 4 fiscal
30 years.

31 (b) If the annual budget of the association is \$75,000 or more
32 but less than \$150,000, cause the financial statement of the
33 association to be:

34 (1) Audited by an independent certified public accountant at
35 least once every 4 fiscal years; and

36 (2) Reviewed by an independent certified public accountant
37 every fiscal year for which an audit is not conducted.

38 (c) If the annual budget of the association is \$150,000 or more,
39 cause the financial statement of the association to be audited by an
40 independent certified public accountant every fiscal year.

41 2. For any fiscal year for which an audit of the financial
42 statement of the association will not be conducted pursuant to
43 subsection 1, the executive board shall cause the financial statement
44 for that fiscal year to be audited by an independent certified public
45 accountant if, within 180 days before the end of the fiscal year, 15



1 percent of the total number of voting members of the association
2 submit a written request for such an audit.

3 3. The Commission shall adopt regulations prescribing the
4 requirements for the auditing or reviewing of *the* financial
5 statements of an association pursuant to this section. Such
6 regulations must include, without limitation:

7 (a) The qualifications necessary for a person to audit or review
8 *the* financial statements of an association . ~~[-and]~~ *The regulations*
9 *must also provide for a waiver of the qualifications necessary for a*
10 *person to audit or review the financial statements of an*
11 *association so that a member of the executive board or other*
12 *person approved by the Commission may audit or review the*
13 *financial statements of an association upon application to the*
14 *Commission by an association with an annual budget less than*
15 *\$75,000. If the Commission grants a waiver of the qualifications,*
16 *the Commission shall review the audit or review of the financial*
17 *statements of the association to ensure that the audit or review of*
18 *the financial statements of the association does not contain any*
19 *errors.*

20 (b) The standards and format to be followed in auditing or
21 reviewing financial statements of an association.

22 (c) *The requirement that an audit or review of the financial*
23 *statements of an association be completed within 180 days after*
24 *the end of the fiscal year.*

25 **Sec. 17.** NRS 116.3115 is hereby amended to read as follows:

26 116.3115 1. Until the association makes an assessment for
27 common expenses, the declarant shall pay all common expenses.
28 After an assessment has been made by the association, assessments
29 must be made at least annually, based on a budget adopted at least
30 annually by the association in accordance with the requirements set
31 forth in NRS 116.31151. Unless the declaration imposes more
32 stringent standards, the budget must include a budget for the daily
33 operation of the association and a budget for the reserves required
34 by paragraph (b) of subsection 2.

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

36 (a) All common expenses, including the reserves, must be
37 assessed against all the units in accordance with the allocations set
38 forth in the declaration pursuant to subsections 1 and 2 of
39 NRS 116.2107.

40 (b) The association shall establish adequate reserves, funded on
41 a reasonable basis, for the repair, replacement and restoration of the
42 major components of the common elements. The reserves may be
43 used only for those purposes, including, without limitation,
44 repairing, replacing and restoring roofs, roads and sidewalks, and
45 must not be used for daily maintenance. The association may



1 comply with the provisions of this paragraph through a funding plan
2 that is designed to allocate the costs for the repair, replacement and
3 restoration of the major components of the common elements over a
4 period of years if the funding plan is designed in an actuarially
5 sound manner which will ensure that sufficient money is available
6 when the repair, replacement and restoration of the major
7 components of the common elements are necessary.
8 *Notwithstanding any provision of the governing documents to the*
9 *contrary, to establish adequate reserves pursuant to this*
10 *paragraph, including, without limitation, to establish or carry out*
11 *a funding plan, the executive board may, without seeking or*
12 *obtaining the approval of the units' owners, impose any necessary*
13 *and reasonable assessments against the units in the common-*
14 *interest community.*

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

18 4. To the extent required by the declaration:

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

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

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

29 5. Assessments to pay a judgment against the association may
30 be made only against the units in the common-interest community at
31 the time the judgment was entered, in proportion to their liabilities
32 for common expenses.

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

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

40 8. If liabilities for common expenses are reallocated,
41 assessments for common expenses and any installment thereof not
42 yet due must be recalculated in accordance with the reallocated
43 liabilities.

44 9. The association shall provide written notice to each unit's
45 owner of a meeting at which an assessment for a capital



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1 improvement is to be considered or action is to be taken on such an
2 assessment at least 21 calendar days before the date of the meeting.

3 **Sec. 18.** NRS 116.31155 is hereby amended to read as
4 follows:

5 116.31155 1. Except as otherwise provided in subsection 2,
6 an association shall:

7 (a) If the association is required to pay the fee imposed by NRS
8 78.150, 82.193, 86.263, 87.541 or 88.591, pay to the Administrator
9 a fee established by regulation of the Administrator for every unit in
10 the association used for residential use.

11 (b) If the association is organized as a trust or partnership, or as
12 any other authorized business entity, pay to the Administrator a fee
13 established by regulation of the Administrator for each unit in the
14 association.

15 2. If an association is subject to the governing documents of a
16 master association, the master association shall pay the fees required
17 pursuant to this section for each unit in the association that is subject
18 to the governing documents of the master association, unless the
19 governing documents of the master association provide otherwise.
20 The provisions of this subsection do not relieve any association that
21 is subject to the governing documents of a master association from
22 its ultimate responsibility to pay the fees required pursuant to this
23 section to the Administrator if they are not paid by the master
24 association.

25 3. The fees required to be paid pursuant to this section must be:

26 (a) Paid at such times as are established by the Division.

27 (b) Deposited with the State Treasurer for credit to the Account
28 for Common-Interest Communities created by NRS 116.630.

29 (c) Established on the basis of the actual costs of administering
30 the Office of the Ombudsman and the Commission and not on a
31 basis which includes any subsidy beyond those actual costs. In no
32 event may the fees required to be paid pursuant to this section
33 exceed \$3 per unit.

34 4. The Division shall impose an administrative penalty against
35 an association or master association that violates the provisions of
36 this section by failing to pay the fees owed by the association or
37 master association within the times established by the Division. The
38 administrative penalty that is imposed for each violation must equal
39 10 percent of the amount of the fees owed by the association or
40 master association or \$500, whichever amount is less. The amount
41 of the unpaid fees owed by the association or master association
42 bears interest at the rate set forth in NRS 99.040 from the date the
43 fees are due until the date the fees are paid in full.

44 5. A unit's owner may not be required to pay any portion of the
45 fees or any administrative penalties or interest required to be paid



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1 pursuant to this section to both an association and a master
2 association.

3 6. An association that is subject to the governing documents of
4 a master association may not be required to pay any portion of the
5 fees or any administrative penalties or interest required to be paid
6 pursuant to this section to the extent they have already been paid by
7 the master association.

8 7. A master association may not be required to pay any portion
9 of the fees or any administrative penalties or interest required to be
10 paid pursuant to this section to the extent they have already been
11 paid by an association that is subject to the governing documents of
12 the master association.

13 8. Upon the payment of the fees and any administrative
14 penalties and interest required by this section, the Administrator
15 shall provide to the association or master association evidence that it
16 paid the fees and the administrative penalties and interest in
17 compliance with this section.

18 *9. Any person, association or master association which has*
19 *been requested or required to pay any fees, administrative*
20 *penalties or interest pursuant to this section and which believes*
21 *that such fees, administrative penalties or interest have been*
22 *imposed in error may, without exhausting any available*
23 *administrative remedies, bring an action in the district court to*
24 *recover:*

25 *(a) Any amount paid in error for any fees, administrative*
26 *penalties or interest during the immediately preceding 3 years;*

27 *(b) Interest on the amount paid in error at the rate set forth in*
28 *NRS 99.040; and*

29 *(c) Reasonable costs and attorney's fees.*

30 **Sec. 19.** NRS 116.31158 is hereby amended to read as
31 follows:

32 116.31158 1. Each association shall, at the time it pays the
33 fee required by NRS 116.31155, register with the Ombudsman on a
34 form prescribed by the Ombudsman.

35 2. The form for registration must include, without limitation,
36 the information required to be maintained pursuant to paragraph
37 ~~(e)~~ (d) of subsection 4 of NRS 116.625.

38 **Sec. 20.** NRS 116.3116 is hereby amended to read as follows:

39 116.3116 1. The association has a lien on a unit for any
40 construction penalty that is imposed against the unit's owner
41 pursuant to NRS 116.310305, any assessment levied against that
42 unit or any fines imposed against the unit's owner from the time the
43 construction penalty, assessment or fine becomes due. Unless the
44 declaration otherwise provides, any penalties, fees, charges, late
45 charges, fines and interest charged pursuant to paragraphs (j) to (n),



1 inclusive, of subsection 1 of NRS 116.3102 are enforceable as
2 assessments under this section. If an assessment is payable in
3 installments, the full amount of the assessment is a lien from the
4 time the first installment thereof becomes due.

5 2. A lien under this section is prior to all other liens and
6 encumbrances on a unit except:

7 (a) Liens and encumbrances recorded before the recordation of
8 the declaration and, in a cooperative, liens and encumbrances which
9 the association creates, assumes or takes subject to;

10 (b) A first security interest on the unit recorded before the date
11 on which the assessment sought to be enforced became delinquent
12 or, in a cooperative, the first security interest encumbering only the
13 unit's owner's interest and perfected before the date on which the
14 assessment sought to be enforced became delinquent; and

15 (c) Liens for real estate taxes and other governmental
16 assessments or charges against the unit or cooperative.

17 ➤ The lien is also prior to all security interests described in
18 paragraph (b) to the extent of the assessments for common expenses
19 based on the periodic budget adopted by the association pursuant to
20 NRS 116.3115 which would have become due in the absence of
21 acceleration during the 6 months immediately preceding institution
22 of an action to enforce the lien. This subsection does not affect the
23 priority of mechanics' or materialmen's liens, or the priority of liens
24 for other assessments made by the association.

25 3. Unless the declaration otherwise provides, if two or more
26 associations have liens for assessments created at any time on the
27 same property, those liens have equal priority.

28 4. Recording of the declaration constitutes record notice and
29 perfection of the lien. No further recordation of any claim of lien for
30 assessment under this section is required.

31 5. A lien for unpaid assessments is extinguished unless
32 proceedings to enforce the lien are instituted within 3 years after the
33 full amount of the assessments becomes due.

34 6. This section does not prohibit actions to recover sums for
35 which subsection 1 creates a lien or prohibit an association from
36 taking a deed in lieu of foreclosure.

37 7. A judgment or decree in any action brought under this
38 section must include costs and reasonable attorney's fees for the
39 prevailing party.

40 8. The association, upon written request, shall furnish to a
41 unit's owner a statement setting forth the amount of unpaid
42 assessments against the unit. If the interest of the unit's owner is real
43 estate or if a lien for the unpaid assessments may be foreclosed
44 under NRS 116.31162 to 116.31168, inclusive, the statement must
45 be in recordable form. The statement must be furnished within 10



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business days after receipt of the request and is binding on the association, the executive board and every unit's owner.

9. In a cooperative, upon nonpayment of an assessment on a unit, the unit's owner may be evicted in the same manner as provided by law in the case of an unlawful holdover by a commercial tenant, and:

(a) In a cooperative where the owner's interest in a unit is real estate under NRS 116.1105, the association's lien may be foreclosed under NRS 116.31162 to 116.31168, inclusive.

(b) In a cooperative where the owner's interest in a unit is personal property under NRS 116.1105, the association's lien:

(1) May be foreclosed as a security interest under NRS 104.9101 to 104.9709, inclusive; or

(2) If the declaration so provides, may be foreclosed under NRS 116.31162 to 116.31168, inclusive.

10. The association must obtain approval from the Commission before attempting to foreclose its lien pursuant to the provisions of NRS 116.31162 to 116.31168, inclusive.

Sec. 21. NRS 116.31166 is hereby amended to read as follows:

116.31166 1. The recitals in a deed made pursuant to NRS 116.31164 of:

(a) Default, the mailing of the notice of delinquent assessment, and the recording of the notice of default and election to sell;

(b) The elapsing of the 90 days; and

(c) The giving of notice of sale,

→ are conclusive proof of the matters recited.

2. Such a deed containing those recitals is conclusive against the unit's former owner, his heirs and assigns, and all other persons. The receipt for the purchase money contained in such a deed is sufficient to discharge the purchaser from obligation to see to the proper application of the purchase money.

3. The sale of a unit pursuant to NRS 116.31162, 116.31163 and 116.31164 ~~vests in the purchaser the title of the unit's owner without~~ *is subject to an* equity or right of redemption.

Sec. 22. NRS 116.31175 is hereby amended to read as follows:

116.31175 1. Except as otherwise provided in this subsection, the executive board of an association shall, upon the written request of a unit's owner, make available the books, records and other papers of the association for review during the regular working hours of the association, including, without limitation, all contracts to which the association is a party and all records filed with a court relating to a civil or criminal action to which the



1 association is a party. The provisions of this subsection do not apply
2 to:

3 (a) The personnel records of the employees of the association,
4 except for those records relating to the number of hours worked and
5 the salaries and benefits of those employees;

6 (b) The records of the association relating to another unit's
7 owner, except for those records described in subsection 2; and

8 (c) A contract between the association and an attorney.

9 2. The executive board of an association shall maintain a
10 general record concerning each violation of the governing
11 documents, other than a violation involving a failure to pay an
12 assessment, for which the executive board has imposed a fine, a
13 construction penalty or any other sanction. The general record:

14 (a) Must contain a general description of the nature of the
15 violation and the type of the sanction imposed. If the sanction
16 imposed was a fine or construction penalty, the general record must
17 specify the amount of the fine or construction penalty.

18 (b) Must not contain the name or address of the person against
19 whom the sanction was imposed or any other personal information
20 which may be used to identify the person or the location of the unit,
21 if any, that is associated with the violation.

22 (c) Must be maintained in an organized and convenient filing
23 system or data system that allows a unit's owner to search and
24 review the general records concerning violations of the governing
25 documents.

26 3. If the executive board refuses to allow a unit's owner to
27 review the books, records or other papers of the association, the
28 Ombudsman may:

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

32 (b) If he is denied access to the books, records or other papers,
33 request the Commission, or any member thereof acting on behalf of
34 the Commission, to issue a subpoena for their production.

35 4. The books, records and other papers of an association must
36 be maintained for at least 10 years. The provisions of this subsection
37 do not apply to:

38 (a) The minutes of a meeting of the units' owners which must be
39 maintained in accordance with NRS 116.3108; or

40 (b) The minutes of a meeting of the executive board which must
41 be maintained in accordance with NRS 116.31083.

42 5. The executive board shall not require a unit's owner to pay
43 an amount in excess of \$10 per hour to review any books, records,
44 contracts or other papers of the association pursuant to the
45 provisions of this section.



6. *If an official publication contains or will contain the views or opinions of the association, the executive board, a community manager or an officer, employee or agent of an association concerning an issue of official interest, the official publication must, upon request, without charge and without any prior censorship, devote and include equal space and equivalent exposure to any opposing views and opinions of a unit's owner, tenant or resident of the common-interest community. As used in this subsection:*

(a) *"Issue of official interest" includes, without limitation:*

(1) *Any issue on which the executive board or the units' owners will be voting or have voted, including, without limitation, the election of members of the executive board; and*

(2) *The enactment or adoption of proposed legislation or administrative regulations that will affect a common-interest community.*

(b) *"Official publication" means:*

(1) *An official website;*

(2) *An official newsletter or other similar publication that is circulated to each unit's owner; or*

(3) *An official bulletin board that is available to each unit's owner,*

↪ which is published or maintained by an association, an executive board, a member of an executive board, a community manager or an officer, employee or agent of an association.

Sec. 23. NRS 116.31183 is hereby amended to read as follows:

116.31183 **1.** An executive board, a member of an executive board, *a community manager* or an officer, employee or agent of an association shall not take, or direct or encourage another person to take, any retaliatory action against a unit's owner because the unit's owner has:

~~1-1~~ (a) Complained in good faith about any alleged violation of any provision of this chapter or the governing documents of the association;

(b) *Recommended the selection or replacement of an attorney, community manager or vendor, unless such a selection or replacement would constitute a material breach of an existing contract; or*

~~1-2~~ (c) Requested in good faith to review the books, records or other papers of the association.

2. *An executive board, a member of an executive board, a community manager or an officer, employee or agent of an association shall not intentionally interfere with the exercise of*



1 *any right conferred on a person pursuant to the provisions of this*
2 *chapter.*

3 **Sec. 24.** NRS 116.31187 is hereby amended to read as
4 follows:

5 116.31187 1. Except as otherwise provided in this section, a
6 member of an executive board or an officer of an association shall
7 not:

8 (a) On or after October 1, 2003, enter into a contract or renew a
9 contract with the association to provide *financing*, goods or services
10 to the association; or

11 (b) Otherwise accept any commission, personal profit or
12 compensation of any kind from the association for providing
13 *financing*, goods or services to the association.

14 2. The provisions of this section do not prohibit a declarant, an
15 affiliate of a declarant or an officer, employee or agent of a
16 declarant or an affiliate of a declarant from:

17 (a) Receiving any commission, personal profit or compensation
18 from the association, the declarant or an affiliate of the declarant for
19 any *financing*, goods or services furnished to the association;

20 (b) Entering into contracts with the association, the declarant or
21 affiliate of the declarant; or

22 (c) Serving as a member of the executive board or as an officer
23 of the association.

24 **Sec. 25.** NRS 116.325 is hereby amended to read as follows:

25 116.325 1. The executive board shall not and the governing
26 documents must not prohibit a unit's owner or an occupant of a unit
27 from exhibiting ~~[a political sign]~~ *one or more political signs* within
28 such physical portion of the common-interest community as that
29 owner or occupant has a right to occupy and use exclusively ~~[if the~~
30 ~~political sign is]~~ *and on any wall which is a common element or*
31 *limited common element and which is immediately adjacent to the*
32 *unit, subject to the following conditions:*

33 (a) *All political signs exhibited must* not *be* larger than 24
34 inches by 36 inches.

35 (b) *If the unit is occupied by a tenant, the unit's owner may*
36 *not exhibit any political sign unless the tenant consents, in*
37 *writing, to the exhibition of the political sign.*

38 (c) *If any political sign is exhibited on a wall which is a*
39 *common element or limited common element, the political sign:*

40 (1) *Must be exhibited in a manner that does not damage the*
41 *wall; and*

42 (2) *Is subject to any applicable provisions of law governing*
43 *the posting of political signs.*

44 2. The provisions of this section establish the minimum rights
45 of a unit's owner or an occupant of a unit to exhibit ~~[a]~~ political



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1 ~~{sign-}~~ *signs*. The provisions of this section do not preempt any
2 provisions of the governing documents that provide greater rights
3 and do not require the governing documents or the executive board
4 to impose any restrictions on the exhibition of political signs other
5 than those established by other provisions of law.

6 3. *Any provision in a rental agreement which violates the*
7 *provisions of this section or which requires a tenant to waive any*
8 *rights pursuant to this section or other provisions of law is void as*
9 *against public policy.*

10 4. As used in this section, "political sign" means a sign that
11 expresses support for or opposition to a candidate, political party or
12 ballot question ~~{}~~ *in any federal, state or local election or any*
13 *election of an association.*

14 **Sec. 26.** NRS 116.330 is hereby amended to read as follows:

15 116.330 1. The executive board shall not and the governing
16 documents must not prohibit a unit's owner from installing or
17 maintaining drought tolerant landscaping within such physical
18 portion of the common-interest community as that owner has a right
19 to occupy and use exclusively, *including, without limitation, the*
20 *front yard or back yard of the unit's owner,* except that:

21 (a) Before installing drought tolerant landscaping, the unit's
22 owner must submit a detailed description or plans for the drought
23 tolerant landscaping for architectural review and approval in
24 accordance with the procedures, if any, set forth in the governing
25 documents of the association; and

26 (b) The drought tolerant landscaping must be selected or
27 designed to the maximum extent practicable to be compatible with
28 the style of the common-interest community.

29 *↪ The provisions of this subsection must be construed liberally in*
30 *favor of effectuating the purpose of encouraging the use of*
31 *drought tolerant landscaping, and the executive board shall not*
32 *and the governing documents must not unreasonably deny or*
33 *withhold approval for the installation of drought tolerant*
34 *landscaping or unreasonably determine that the drought tolerant*
35 *landscaping is not compatible with the style of the common-*
36 *interest community.*

37 2. Installation of drought tolerant landscaping within any
38 common element or conversion of traditional landscaping or
39 cultivated vegetation, such as turf grass, to drought tolerant
40 landscaping within any common element shall not be deemed to be
41 a change of use of the common element unless:

42 (a) The common element has been designated as a park, open
43 play space or golf course on a recorded plat map; or

44 (b) The traditional landscaping or cultivated vegetation is
45 required by a governing body under the terms of any applicable



1 zoning ordinance, permit or approval or as a condition of approval
2 of any final subdivision map.

3 3. As used in this section, "drought tolerant landscaping"
4 means landscaping which conserves water, protects the environment
5 and is adaptable to local conditions. *The term includes, without*
6 *limitation, the use of mulches such as decorative rock and*
7 *artificial turf.*

8 **Sec. 27.** NRS 116.345 is hereby amended to read as follows:

9 116.345 1. An association of a planned community may not
10 restrict, prohibit or otherwise impede the lawful residential use of
11 any property that is within or encompassed by the boundaries of the
12 planned community and that is not designated as part of the planned
13 community.

14 2. Except as otherwise provided in this subsection, an
15 association may not restrict the access of a person to any of his
16 property. An association may restrict access to and from a unit
17 within a planned community if the right to restrict such access was
18 included in the declaration or in a separate recorded instrument at
19 the time that the owner of the unit acquired title to the unit. The
20 provisions of this subsection do not prohibit an association from
21 charging the owner of the property a reasonable and
22 nondiscriminatory fee to operate or maintain a gate or other similar
23 device designed to control access to the planned community that
24 would otherwise impede ingress or egress to the property.

25 3. An association may not expand, construct or situate a
26 building or structure that is not part of any plat or plan of the
27 planned community if the expansion, construction or situation of the
28 building or structure was not previously disclosed to the units'
29 owners of the planned community unless the association obtains the
30 written consent of a majority of the units' owners and residents of
31 the planned community who own property or reside within 500 feet
32 of the proposed location of the building or structure.

33 4. *An association may not interrupt any utility service*
34 *furnished to a unit's owner or a tenant of a unit's owner except*
35 *for the nonpayment of utility charges when due. The interruption*
36 *of any utility service pursuant to this subsection must be*
37 *performed in a manner which is consistent with all laws,*
38 *regulations and governing documents relating to the interruption*
39 *of any utility service. An association must in every case send a*
40 *written notice of its intent to interrupt any utility service to the*
41 *unit's owner or the tenant of the unit's owner at least 10 days*
42 *before the association interrupts any utility service.*

43 5. The provisions of this section do not abrogate any easement,
44 restrictive covenant, decision of a court, agreement of a party or any
45 contract, governing document or declaration of covenants,



conditions and restrictions, or any other decision, rule or regulation that a local governing body or other entity that makes decisions concerning land use or planning is authorized to make or enact that exists before October 1, 1999, including, without limitation, a zoning ordinance, permit or approval process or any other requirement of a local government or other entity that makes decisions concerning land use or planning.

Sec. 28. NRS 116.350 is hereby amended to read as follows:

116.350 1. *In a common-interest community, the executive board shall not and the governing documents must not prohibit a person from parking a utility service vehicle that has a gross vehicle weight rating of 20,000 pounds or less on a street or driveway while the person is engaged in any activity relating to the delivery of public utility services to subscribers or consumers.*

2. In a common-interest community which is not gated or enclosed and the access to which is not restricted or controlled by a person or device, the executive board shall not and the governing documents must not provide for the regulation of any road, street, alley or other thoroughfare the right-of-way of which is accepted by the State or a local government for dedication as a road, street, alley or other thoroughfare for public use.

~~{2. —The}~~

3. *Except as otherwise provided in subsection 1, the provisions of subsection ~~H~~ 2 do not preclude an association from adopting, and do not preclude the governing documents of an association from setting forth, rules that reasonably restrict the parking or storage of recreational vehicles, watercraft, trailers or commercial motor vehicles in the common-interest community to the extent authorized by law.*

4. *As used in this section:*

(a) *“Commercial motor vehicle” has the meaning ascribed to it in 49 C.F.R. § 350.105.*

(b) *“Utility service vehicle” means any commercial motor vehicle:*

(1) *Used in the furtherance of repairing, maintaining or operating any structure or any other physical facility necessary for the delivery of public utility services, including, without limitation, the furnishing of electricity, gas, water, sanitary sewer, telephone, cable or community antenna service.*

(2) *Except for any emergency use, operated primarily within the service area of a utility’s subscribers or consumers, without regard to whether the commercial motor vehicle is owned, leased or rented by the utility.*



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1 **Sec. 29.** NRS 116.4117 is hereby amended to read as follows:

2 116.4117 1. If a declarant or any other person subject to this
3 chapter fails to comply with any of its provisions or any provision of
4 the declaration or bylaws, any person or class of persons suffering
5 actual damages from the failure to comply has a claim for
6 appropriate relief.

7 2. ~~{Subject to the requirements set forth in NRS 38.310 and~~
8 ~~except}~~ *Except* as otherwise provided in NRS 116.3111, a civil
9 action for damages caused by a failure or refusal to comply with any
10 provision of this chapter or the governing documents of an
11 association may be brought:

12 (a) By the association against:

13 (1) A declarant; or

14 (2) A unit's owner.

15 (b) By a unit's owner against:

16 (1) The association;

17 (2) A declarant; or

18 (3) Another unit's owner of the association.

19 3. Punitive damages may be awarded for a willful and material
20 failure to comply with this chapter if the failure is established by
21 clear and convincing evidence.

22 4. The court may award reasonable attorney's fees to the
23 prevailing party.

24 5. The civil remedy provided by this section is in addition to,
25 and not exclusive of, any other available remedy or penalty.

26 **Sec. 30.** NRS 116.605 is hereby amended to read as follows:

27 116.605 1. The Division shall *employ one or more training*
28 *officers who are qualified by training and experience to* provide
29 ~~{or arrange to have provided}~~ to each member of the Commission
30 courses of instruction concerning rules of procedure and substantive
31 law appropriate for members of the Commission. *Such courses of*
32 *instruction may be made available to the staff of the Division as*
33 *well as to community managers.*

34 2. *The training officer shall:*

35 (a) *Prepare and make available a manual containing the*
36 *policies and procedures to be followed by executive boards and*
37 *community managers; and*

38 (b) *Perform any other duties as directed by the Division.*

39 3. Each member of the Commission must attend the courses of
40 instruction *described in subsection 1* not later than 6 months after
41 the date that the member is first appointed to the Commission.

42 **Sec. 31.** NRS 116.625 is hereby amended to read as follows:

43 116.625 1. The Office of the Ombudsman for Owners in
44 Common-Interest Communities is hereby created within the
45 Division.



2. The Administrator shall appoint the Ombudsman. The Ombudsman is in the unclassified service of the State.

3. The Ombudsman must be qualified by training and experience to perform the duties and functions of his office.

4. In addition to any other duties set forth in this chapter, the Ombudsman shall:

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

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

~~(c)~~ Assist members of executive boards and officers of associations to carry out their duties;

~~(d)~~ (c) When appropriate, investigate disputes involving the provisions of this chapter or the governing documents of an association and assist in resolving such disputes; and

~~(e)~~ (d) Compile and maintain a registration of each association organized within the State which includes, without limitation, the following information:

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

(2) The name of each community manager for the common-interest community and the name of any other person who is authorized to manage 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;

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

(7) The number of foreclosures which were completed on units within the common-interest community and which were based on liens for the failure of the unit's owner to pay any assessments levied against the unit or any fines imposed against the unit's owner; and

(8) Whether the study of the reserves of the association has been conducted pursuant to NRS 116.31152 and, if so, the date on which it was completed.

Sec. 32. NRS 116.630 is hereby amended to read as follows:

116.630 1. There is hereby created the Account for Common-Interest Communities in the State General Fund. The Account must be administered by the Administrator.



2. Except as otherwise provided in subsection 3, all money received by the Commission, a hearing panel or the Division pursuant to this chapter, including, without limitation, the fees collected pursuant to NRS 116.31155, must be deposited into the Account.

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

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

5. The money in the Account must be used solely to defray ~~the~~ ~~(a) The~~ ~~the~~ costs and expenses of the Commission and the Office of the Ombudsman. ~~the~~ ~~and~~

~~(b) If authorized by the Commission or any regulations adopted by the Commission, the costs and expenses of subsidizing proceedings for mediation and arbitration conducted pursuant to NRS 38.300 to 38.360, inclusive.]~~

Sec. 33. NRS 116.665 is hereby amended to read as follows:

116.665 1. The Commission shall conduct such hearings and other proceedings as are required by the provisions of this chapter.

2. The Commission shall collect and maintain or cause to be collected and maintained accurate information relating to:

(a) The number and kind of common-interest communities in this State;

(b) The effect of the provisions of this chapter and any regulations adopted pursuant thereto on the development and construction of common-interest communities, the residential lending market for units within common-interest communities and the operation and management of common-interest communities;

(c) Violations of the provisions of this chapter and any regulations adopted pursuant thereto;

~~(d) [The accessibility and use of, and the costs related to, the arbitration and mediation procedures set forth in NRS 38.300 to 38.360, inclusive, and the decisions rendered and awards made pursuant to those arbitration and mediation procedures;~~

~~(e)]~~ The number of foreclosures which were completed on units within common-interest communities and which were based on liens for the failure of the unit's owner to pay any assessments levied against the unit or any fines imposed against the unit's owner;



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~~[(f)]~~ (e) The study of the reserves required by NRS 116.31152; and

~~[(e)]~~ (f) Other issues that the Commission determines are of concern to units' owners, associations, community managers, developers and other persons affected by common-interest communities.

3. The Commission shall develop and promote:

(a) Educational guidelines for conducting the elections of the members of an executive board, the meetings of an executive board and the meetings of the units' owners of an association; and

(b) Educational guidelines for the enforcement of the governing documents of an association through liens, penalties and fines.

4. The Commission shall recommend and approve for accreditation programs of education and research relating to common-interest communities, including, without limitation:

(a) The management of common-interest communities;

(b) The sale and resale of units within common-interest communities;

(c) Alternative methods that may be used to resolve disputes relating to common-interest communities; and

(d) The enforcement, including by foreclosure, of liens on units within common-interest communities for the failure of the unit's owner to pay any assessments levied against the unit or any fines imposed against the unit's owner.

Sec. 34. NRS 116.670 is hereby amended to read as follows:

116.670 The Commission may:

1. ~~By regulation, establish standards for subsidizing proceedings for mediation and arbitration conducted pursuant to NRS 38.300 to 38.360, inclusive, to ensure that such proceedings are not lengthy and are affordable and readily accessible to all parties;~~

~~2.]~~ By regulation, establish standards for subsidizing educational programs for the benefit of units' owners, members of executive boards and officers of associations;

~~3.]~~ 2. Accept any gifts, grants or donations; and

~~4.]~~ 3. Enter into agreements with other entities that are required or authorized to carry out similar duties in this State or in other jurisdictions and cooperate with such entities to develop uniform procedures for carrying out the provisions of this chapter and for accumulating information needed to carry out those provisions.

Sec. 35. NRS 116.675 is hereby amended to read as follows:

116.675 1. The Commission may appoint one or more hearing panels. Each hearing panel must consist of one or more independent hearing officers. *An independent hearing officer may*



1 *be, without limitation, a member of the Commission or an*
2 *employee of the Commission.*

3 2. The Commission may by regulation delegate to one or more
4 hearing panels the power of the Commission to conduct hearings
5 and other proceedings, determine violations, impose fines and
6 penalties and take other disciplinary action authorized by the
7 provisions of this chapter.

8 3. While acting under the authority of the Commission, a
9 hearing panel and its members are entitled to all privileges and
10 immunities and are subject to all duties and requirements of the
11 Commission and its members.

12 4. A final order of a hearing panel:

13 (a) May be appealed to the Commission if, not later than 20
14 days after the date that the final order is issued by the hearing panel,
15 any party aggrieved by the final order files a written notice of appeal
16 with the Commission.

17 (b) Must be reviewed and approved by the Commission if, not
18 later than 40 days after the date that the final order is issued by the
19 hearing panel, the Division, upon the direction of the Chairman of
20 the Commission, provides written notice to all parties of the
21 intention of the Commission to review the final order.

22 **Sec. 36.** NRS 116.765 is hereby amended to read as follows:

23 116.765 1. Upon receipt of an affidavit that complies with
24 the provisions of NRS 116.760, the Division shall *immediately* refer
25 the affidavit to the Ombudsman.

26 2. The Ombudsman shall give such guidance to the parties as
27 the Ombudsman deems necessary to assist the parties to resolve the
28 alleged violation.

29 3. If the parties are unable to resolve the alleged violation with
30 the assistance of the Ombudsman, the Ombudsman shall provide to
31 the Division , *within 30 days after the affidavit is received by the*
32 *Ombudsman*, a report concerning the alleged violation and any
33 information collected by the Ombudsman during his efforts to assist
34 the parties to resolve the alleged violation.

35 4. ~~Upon~~ *Except as otherwise provided in this subsection,*
36 *upon* receipt of the report from the Ombudsman, the Division shall
37 conduct *and complete* an investigation *within 45 days* to determine
38 whether good cause exists to proceed with a hearing on the alleged
39 violation. *The Division may be granted an extension of time in*
40 *which to complete an investigation if the Division obtains written*
41 *approval granting such extension from the person who is*
42 *aggrieved by an alleged violation.*

43 5. If, after investigating the alleged violation, the Division
44 determines that the allegations in the affidavit are not frivolous,
45 false or fraudulent and that good cause exists to proceed with a



1 hearing on the alleged violation, the Administrator shall file a
2 formal complaint with the Commission and schedule a hearing on
3 the complaint before the Commission or a hearing panel.

4 **Sec. 37.** NRS 116.775 is hereby amended to read as follows:

5 116.775 1. Any party to the complaint may be represented by
6 an attorney at any hearing on the complaint.

7 *2. If an association is represented by an attorney in defense*
8 *of a complaint made by a unit's owner, the association must pay*
9 *the reasonable attorney's fees incurred by the unit's owner except*
10 *where the complaint is found to be false, fraudulent or frivolous*
11 *by judicial authority.*

12 **Sec. 38.** NRS 116.785 is hereby amended to read as follows:

13 116.785 1. If the Commission or the hearing panel, after
14 notice and hearing, finds that the respondent has committed a
15 violation, the Commission or the hearing panel may take any or all
16 of the following actions:

17 (a) Issue an order directing the respondent to cease and desist
18 from continuing to engage in the unlawful conduct that resulted in
19 the violation.

20 (b) Issue an order directing the respondent to take affirmative
21 action to correct any conditions resulting from the violation.

22 (c) Impose an administrative fine of not more than \$1,000 for
23 each violation.

24 2. If the respondent is a member of an executive board or an
25 officer of an association, the Commission or the hearing panel may
26 order the respondent removed from his office or position if the
27 Commission or the hearing panel, after notice and hearing, finds
28 that:

29 (a) The respondent has knowingly and willfully committed a
30 violation; and

31 (b) The removal is in the best interest of the association.

32 3. If the respondent violates any order issued by the
33 Commission or the hearing panel pursuant to this section, the
34 Commission or the hearing panel, after notice and hearing, may
35 impose an administrative fine of not more than \$1,000 for each
36 violation.

37 4. If the Commission or the hearing panel takes any
38 disciplinary action pursuant to this section, the Commission or the
39 hearing panel may order the respondent to pay the costs of the
40 proceedings incurred by the Division, including, without limitation,
41 the cost of the investigation . ~~{and reasonable attorney's fees.}~~

42 5. *In any matter brought before the Commission or a hearing*
43 *panel pursuant to the provisions of this chapter, attorney's fees*
44 *must not be granted to a prevailing party, regardless of whether*



1 *the governing documents provide for such fees to be granted to a*
2 *prevailing party.*


3 **6.** Notwithstanding any other provision of this section, unless
4 the respondent has knowingly and willfully committed a violation, if
5 the respondent is a member of an executive board or an officer of an
6 association:

7 (a) The association is liable for all fines and costs imposed
8 against the respondent pursuant to this section; and

9 (b) The respondent may not be held personally liable for those
10 fines and costs.

11 **Sec. 39.** NRS 116.790 is hereby amended to read as follows:

12 116.790 1. If the Commission or a hearing panel, after notice
13 and hearing, finds that the executive board or any person acting on
14 behalf of the association has committed a violation, the Commission
15 or the hearing panel may take any or all of the following actions:

16 (a) Order an audit of the association , *at the expense of the*
17 *association.*

18 (b) Require the executive board to hire a community manager
19 who holds a certificate.

20 2. The Commission, or the Division with the approval of the
21 Commission, may apply to a court of competent jurisdiction for the
22 appointment of a receiver for an association if, after notice and a
23 hearing, the Commission or a hearing officer finds that any of the
24 following violations occurred:

25 (a) The executive board, or any member thereof, has been guilty
26 of fraud or collusion or gross mismanagement in the conduct or
27 control of its affairs;

28 (b) The executive board, or any member thereof, has been guilty
29 of misfeasance, malfeasance or nonfeasance; or

30 (c) The assets of the association are in danger of waste or loss
31 through attachment, foreclosure, litigation or otherwise.

32 3. In any application for the appointment of a receiver pursuant
33 to this section, notice of a temporary appointment of a receiver may
34 be given to the association alone, by process as in the case of an
35 application for a temporary restraining order or injunction. The
36 hearing thereon may be had after 5 days' notice unless the court
37 directs a longer or different notice and different parties.

38 4. The court may, if good cause exists, appoint one or more
39 receivers pursuant to this section to carry out the business of the
40 association. The members of the executive board who have not been
41 guilty of negligence or active breach of duty must be preferred in
42 making the appointment.

43 5. The powers of any receiver appointed pursuant to this
44 section may be continued as long as the court deems necessary and



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proper. At any time, for sufficient cause, the court may order the receivership terminated.

6. Any receiver appointed pursuant to this section has, among the usual powers, all the functions, powers, tenure and duties to be exercised under the direction of the court as are conferred on receivers and as provided in NRS 78.635, 78.640 and 78.645, whether or not the association is insolvent. Such powers include, without limitation, the powers to:

(a) Take charge of the estate and effects of the association;

(b) Appoint an agent or agents;

(c) Collect any debts and property due and belonging to the association and prosecute and defend, in the name of the association, or otherwise, any civil action as may be necessary or proper for the purposes of collecting debts and property;

(d) Perform any other act in accordance with the governing documents of the association and this chapter that may be necessary for the association to carry out its obligations; and

(e) By injunction, restrain the association from exercising any of its powers or doing business in any way except by and through a receiver appointed by the court.

Sec. 40. NRS 116A.300 is hereby amended to read as follows:

116A.300 1. The Commission may appoint one or more hearing panels. Each hearing panel must consist of one or more independent hearing officers. *An independent hearing officer may be, without limitation, a member of the Commission or an employee of the Commission.*

2. The Commission may by regulation delegate to one or more hearing panels the power of the Commission to conduct hearings and other proceedings, determine violations, impose fines and penalties and take other disciplinary action authorized by the provisions of this chapter.

3. While acting under the authority of the Commission, a hearing panel and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the Commission and its members.

4. A final order of a hearing panel:

(a) May be appealed to the Commission if, not later than 20 days after the date that the final order is issued by the hearing panel, any party aggrieved by the final order files a written notice of appeal with the Commission.

(b) Must be reviewed and approved by the Commission if, not later than 40 days after the date that the final order is issued by the hearing panel, the Division, upon the direction of the Chairman of the Commission, provides written notice to all parties of the intention of the Commission to review the final order.



1 **Sec. 41.** NRS 116A.410 is hereby amended to read as follows:

2 116A.410 1. The Commission shall by regulation provide for
3 the issuance by the Division of certificates. The regulations:

4 (a) Must establish the qualifications for the issuance of such a
5 certificate, including, without limitation, the education and
6 experience required to obtain such a certificate.

7 (b) *Must require an applicant to post a bond in an amount*
8 *established by regulation. The Commission shall, by regulation,*
9 *adopt a sliding scale for the amount of the bond that is based upon*
10 *the amount of money that applicants are expected to control.*

11 (c) May require applicants to pass an examination in order to
12 obtain a certificate. If the regulations require such an examination,
13 the Commission shall by regulation establish fees to pay the costs of
14 the examination, including any costs which are necessary for the
15 administration of the examination.

16 ~~(c)~~ (d) May require an investigation of an applicant's
17 background. If the regulations require such an investigation, the
18 Commission shall by regulation establish fees to pay the costs of the
19 investigation.

20 ~~(d)~~ (e) Must establish the grounds for initiating disciplinary
21 action against a person to whom a certificate has been issued,
22 including, without limitation, the grounds for placing conditions,
23 limitations or restrictions on a certificate and for the suspension or
24 revocation of a certificate.

25 ~~(e)~~ (f) Must establish rules of practice and procedure for
26 conducting disciplinary hearings.

27 2. The Division may collect a fee for the issuance of a
28 certificate in an amount not to exceed the administrative costs of
29 issuing the certificate.

30 **Sec. 42.** NRS 38.217 is hereby amended to read as follows:

31 38.217 1. Except as otherwise provided in subsections 2 and
32 3, a party to an agreement to arbitrate or to an arbitral proceeding
33 may waive, or the parties may vary the effect of, the requirements of
34 NRS 38.206 to 38.248, inclusive, to the extent permitted by law.

35 2. Before a controversy arises that is subject to an agreement to
36 arbitrate, a party to the agreement may not:

37 (a) Waive or agree to vary the effect of the requirements of
38 subsection 1 of NRS 38.218, subsection 1 of NRS 38.219, NRS
39 38.222, subsection 1 or 2 of NRS 38.233, NRS 38.244 or 38.247;

40 (b) Agree to unreasonably restrict the right under NRS 38.223 to
41 notice of the initiation of an arbitral proceeding;

42 (c) Agree to unreasonably restrict the right under NRS 38.227 to
43 disclosure of any facts by a neutral arbitrator; or

44 (d) Waive the right under NRS 38.232 of a party to an
45 agreement to arbitrate to be represented by a lawyer at any



1 proceeding or hearing under NRS 38.206 to 38.248, inclusive, but
2 an employer and a labor organization may waive the right to
3 representation by a lawyer in a labor arbitration.

4 3. A party to an agreement to arbitrate or arbitral proceeding
5 may not waive, or the parties may not vary the effect of, the
6 requirements of this section or subsection 1 or 3 of NRS 38.216,
7 NRS 38.221, 38.229, 38.234, subsection 3 or 4 of NRS 38.237, NRS
8 38.239, 38.241, 38.242, subsection 1 or 2 of NRS 38.243 ~~§~~ or NRS
9 38.248. ~~for 38.330.~~

10 **Sec. 43.** NRS 38.250 is hereby amended to read as follows:

11 38.250 1. ~~Except as otherwise provided in NRS 38.310:~~

12 ~~—(a) All civil actions filed in district court for damages, if the~~
13 ~~cause of action arises in the State of Nevada and the amount in issue~~
14 ~~does not exceed \$50,000 per plaintiff, exclusive of attorney's fees,~~
15 ~~interest and court costs, must be submitted to nonbinding arbitration~~
16 ~~in accordance with the provisions of NRS 38.250 to 38.259,~~
17 ~~inclusive, unless the parties have agreed or are otherwise required to~~
18 ~~submit the action to an alternative method of resolving disputes~~
19 ~~established by the Supreme Court pursuant to NRS 38.258,~~
20 ~~including, without limitation, a settlement conference, mediation or~~
21 ~~a short trial.~~

22 ~~§(b) 2.~~ A civil action for damages filed in Justice Court may
23 be submitted to binding arbitration or to an alternative method of
24 resolving disputes, including, without limitation, a settlement
25 conference or mediation, if the parties agree to the submission.

26 ~~§2- 3.~~ An agreement entered into pursuant to this section must
27 be:

28 (a) Entered into at the time of the dispute and not be a part of
29 any previous agreement between the parties;

30 (b) In writing; and

31 (c) Entered into knowingly and voluntarily.

32 ➔ An agreement entered into pursuant to this section that does not
33 comply with the requirements set forth in this subsection is void.

34 ~~§3- 4.~~ As used in this section, "short trial" means a trial that is
35 conducted, with the consent of the parties to the action, in
36 accordance with procedures designed to limit the length of the trial,
37 including, without limitation, restrictions on the amount of
38 discovery requested by each party, the use of a jury composed of not
39 more than eight persons and a specified limit on the amount of time
40 each party may use to present his case.

41 **Sec. 44.** The manual described in subsection 2 of NRS
42 116.605, as amended by this act, must be prepared and made
43 available by October 1, 2008.

44 **Sec. 45.** NRS 38.300, 38.310, 38.320, 38.330, 38.340, 38.350
45 and 38.360 are hereby repealed.



LEADLINES OF REPEALED SECTIONS

38.300 Definitions.

38.310 Limitations on commencement of certain civil actions.

38.320 Submission of claim for mediation or arbitration; contents of claim; fees; service of claim; written answer.

38.330 Procedure for mediation or arbitration of claim; payment of costs and fees upon failure to obtain a more favorable award or judgment in court.

38.340 Duties of Division: Maintenance of list of mediators and arbitrators; establishment of explanatory document.

38.350 Statute of limitations tolled.

38.360 Administration of provisions by Division; regulations; fees.

