

## Amendment No. 978

Senate Amendment to Assembly Bill No. 396 Second Reprint (BDR 10-1284)

Proposed by: Senator Heck

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

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

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

BFG/BAW



Date: 5/24/2007

A.B. No. 396—Makes various changes to the provisions governing common-interest communities. (BDR 10-1284)



## ASSEMBLY BILL NO. 396--ASSEMBLYWOMAN ALLEN

MARCH 16, 2007

Referred to Committee on Judiciary

SUMMARY—Makes various changes to the provisions governing common-interest communities. (BDR 10-1284)

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; requiring a member of an executive board who stands to profit personally from a matter before the board to disclose and abstain from voting on the matter; prohibiting an association in a common-interest community from imposing an assessment against the owners of certain tax-exempt property; providing that official publications related to issues of official interest must provide equal space for opposing views and opinions; revising the provisions governing the regulation of certain streets in certain common-interest communities; making various other changes to the provisions governing common-interest communities; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 1** of this bill provides additional ethical requirements for members of an executive board by requiring a member who stands to gain any personal profit or compensation from a matter before the executive board to disclose the matter to the executive board and to abstain from voting on the matter. (NRS 116.31185, 116.31187)

**Section 2.5** of this bill prohibits an association from imposing an assessment against the owner of any property in the common-interest community that is exempt from taxation pursuant to NRS 361.125. **Section 13** of this bill provides that this prohibition applies to such owners who are not obligated to pay assessments as of January 1, 2007.

**Section 3** of this bill amends existing law to increase the maximum term of office for a member of an executive board from 2 years to 3 years. (NRS 116.31034)

**Section 6.5** of this bill revises existing provisions relating to financial statements by allowing the Commission on Common-Interest Communities to waive the qualification requirements of auditors for certain associations. (NRS 116.31144)

**Section 9** of this bill provides that if an official publication contains the views or opinions of the association concerning an issue of official interest, the official publication must, upon request, provide equal space and equivalent exposure to opposing views and opinions. In addition, **section 9** provides that if an official publication contains any mention of a candidate or ballot question, the official publication must provide equal space in the same issue to the candidate or a representative of an organization which advocates the passage or defeat of the ballot question.

**Section 9.5** of this bill revises existing law by including financing as a prohibited activity for members of the executive board and officers. (NRS 116.31187)

**Section 9.6** of this bill provides additional rights to units' owners by mandating notice before an association may interrupt utility service to a unit's owner. (NRS 116.345)

Existing law provides that certain common-interest communities are prohibited from regulating motor vehicles on thoroughfares accepted by the State or local governments for public use. (NRS 116.350) **Section 9.8** of this bill permits an association to restrict parking on such thoroughfares if the parking prohibition was a condition for approval of the subdivision's final map or included in the terms of a zoning ordinance, permit or approval. (NRS 116.350) **Section 9.8** also adds inoperable vehicles to the types of vehicles for which an association may restrict parking or storage in a common-interest community. (NRS 116.350) Finally, **section 9.8** prohibits a common-interest community from restricting the parking of certain utility service vehicles, law enforcement vehicles and emergency services vehicles.

**Section 13 of this bill provides for the issuance of temporary certificates for community managers for a period of 1 year under certain circumstances. (NRS 116A.410)**

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

**Section 1.** Chapter 116 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. A member of an executive board who stands to gain any personal profit or compensation of any kind from a matter before the executive board shall:*

*(a) Disclose the matter to the executive board; and*

*(b) Abstain from voting on any such matter.*

*2. For the purposes of this section, an employee of a declarant or an affiliate of a declarant who is a member of the executive board shall not, solely by reason of such employment or affiliation, be deemed to gain any personal profit or compensation.*

**Sec. 1.2.** NRS 116.021 is hereby amended to read as follows:

116.021 *1.* "Common-interest community" means real estate with respect to which a person, by virtue of his ownership of a unit, is obligated to pay for real estate other than that unit. ~~["Ownership"]~~

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

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

**Sec. 1.3.** (Deleted by amendment.)

**Sec. 1.7.** (Deleted by amendment.)

**Sec. 2.** (Deleted by amendment.)

**Sec. 2.5.** NRS 116.3102 is hereby amended to read as follows:

116.3102 *1.* Except as otherwise provided in ~~[subsection 2.]~~ *this section,* and subject to the provisions of the declaration, the association may do any or all of the following:

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

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

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

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

(e) Make contracts and incur liabilities.

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

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

(h) Acquire, hold, encumber and convey in its own name any 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.

(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. In addition to complying with the requirements of NRS 487.038 and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, unless the vehicle:

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

(2) 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.

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

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

*3. Notwithstanding any provision of this chapter or the governing documents to the contrary, an association may not impose any assessment pursuant to this chapter or the governing documents on the owner of any property in the common-interest community that is exempt from taxation pursuant to NRS 361.125.*

**Sec. 3.** 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. 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~~ 3 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:

- (a) Members of the executive board who are appointed by the declarant; and
- (b) Members of the executive board who serve a term of 1 year or less.

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

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

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

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

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

6. Unless a person is appointed by the declarant:

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

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

8 (1) That master association; or

9 (2) Any association that is subject to the governing documents of that  
10 master association.

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

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

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

23 8. The election of any member of the executive board must be conducted by  
24 secret written ballot unless the declaration of the association provides that voting  
25 rights may be exercised by delegates or representatives as set forth in NRS  
26 116.31105. If the election of any member of the executive board is conducted by  
27 secret written ballot:

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

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

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

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

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

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

47 9. Each member of the executive board shall, within 90 days after his  
48 appointment or election, certify in writing to the association, on a form prescribed  
49 by the Administrator, that he has read and understands the governing documents of  
50 the association and the provisions of this chapter to the best of his ability. The  
51 Administrator may require the association to submit a copy of the certification of  
52 each member of the executive board of that association at the time the association  
53 registers with the Ombudsman pursuant to NRS 116.31158.

1       **Sec. 4.** (Deleted by amendment.)

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

3       **Sec. 6.** (Deleted by amendment.)

4       **Sec. 6.3.** (Deleted by amendment.)

5       **Sec. 6.5.** NRS 116.31144 is hereby amended to read as follows:

6       116.31144 1. Except as otherwise provided in ~~subsection 2,~~ *this section,*  
7 the executive board shall:

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

11       (b) If the annual budget of the association is \$75,000 or more but less than  
12 \$150,000, cause the financial statement of the association to be:

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

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

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

20       2. For any fiscal year for which an audit of the financial statement of the  
21 association will not be conducted pursuant to subsection 1, the executive board  
22 shall cause the financial statement for that fiscal year to be audited by an  
23 independent certified public accountant if, within 180 days before the end of the  
24 fiscal year, 15 percent of the total number of voting members of the association  
25 submit a written request for such an audit.

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

29       (a) The qualifications necessary for a person to audit or review financial  
30 statements of an association; ~~and~~

31       (b) The standards and format to be followed in auditing or reviewing financial  
32 statements of an association ~~;~~;

33       (c) *The requirement that an audit or review of the financial statements of an*  
34 *association be completed within 180 days after the end of the fiscal year; and*

35       (d) *The ability of the Commission to grant an exemption to the requirement*  
36 *of an audit or review of the financial statements of an association with an annual*  
37 *budget that is less than \$75,000. To receive an exemption pursuant to this*  
38 *paragraph, an association must submit a request to the Commission which*  
39 *includes a written statement of the reasons for requesting the exemption. If the*  
40 *Commission grants the exemption, the Commission shall notify the association*  
41 *within 30 days after receipt of the request for exemption.*

42       **Sec. 6.7.** (Deleted by amendment.)

43       **Sec. 7.** (Deleted by amendment.)

44       **Sec. 7.5.** (Deleted by amendment.)

45       **Sec. 8.** (Deleted by amendment.)

46       **Sec. 9.** NRS 116.31175 is hereby amended to read as follows:

47       116.31175 1. Except as otherwise provided in this subsection, the executive  
48 board of an association shall, upon the written request of a unit's owner, make  
49 available the books, records and other papers of the association for review during  
50 the regular working hours of the association, including, without limitation, all  
51 contracts to which the association is a party and all records filed with a court  
52 relating to a civil or criminal action to which the association is a party. The  
53 provisions of this subsection do not apply to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 *6. If an official publication contains or will contain any mention of a  
40 candidate or ballot question, the official publication must, upon request and  
41 without charge, provide equal space in the same issue to the candidate or a  
42 representative of an organization which supports the passage or defeat of the  
43 ballot question.*

44 *7. Except as otherwise provided in this subsection, if an official publication  
45 contains or will contain the views or opinions of the association, the executive  
46 board, a community manager or an officer, employee or agent of an association  
47 concerning an issue of official interest, the official publication must, upon  
48 request and without charge, provide equal space to opposing views and opinions  
49 of a unit's owner, tenant or resident of the common-interest community.*

50 8. As used in this section:

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



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

(2) The enactment or adoption of rules or 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 at the cost of an association and 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. 9.5.** NRS 116.31187 is hereby amended to read as follows:

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

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

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

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

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

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

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

**Sec. 9.6.** NRS 116.345 is hereby amended to read as follows:

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

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

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

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

5. The provisions of this section do not abrogate any easement, restrictive covenant, decision of a court, agreement of a party or any 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. 9.8.** NRS 116.350 is hereby amended to read as follows:

116.350 1. 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~~ *Except as otherwise provided in subsection 3, the* provisions of subsection 1 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~~:

(a) *Parking on 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 if the requirement that no parking be allowed is included in the terms of any applicable zoning ordinance, permit or approval or as a condition for approval of any final subdivision map; or*

(b) *The parking or storage of inoperable vehicles, recreational vehicles, watercraft, trailers or commercial vehicles in the common-interest community to the extent authorized by law.*

3. *In a common-interest community, the executive board shall not and the governing documents must not prohibit a person from:*

(a) *Parking a utility service vehicle that has a gross vehicle weight rating of 20,000 pounds or less on a driveway, road, street, alley or other thoroughfare:*

(1) *While the person is engaged in any activity relating to the delivery of public utility services to subscribers or consumers; or*

(2) *If the person is:*

(I) *A unit's owner;*

(II) *Parking the vehicle within 50 yards of his unit; and*

(III) *Bringing the vehicle to his unit pursuant to his employment with the entity which owns the vehicle for the purpose of responding to requests for public utility services; or*

(b) *Parking a law enforcement vehicle or emergency services vehicle on a driveway, road, street, alley or other thoroughfare:*

(1) *While the person is engaged in his official duties; or*

(2) *If the person is:*

(I) *A unit's owner;*

(II) *Parking the vehicle within 50 yards of his unit; and*

*(III) Bringing the vehicle to his unit pursuant to his employment with the entity which owns the vehicle for the purpose of responding to requests for law enforcement services or emergency services.*

*4. As used in this section:*

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

*(b) "Emergency services vehicle" means a vehicle:*

*(1) Owned by any governmental agency or political subdivision of this State; and*

*(2) Identified by the entity which owns the vehicle as a vehicle used to provide emergency services.*

*(c) "Law enforcement vehicle" means a vehicle:*

*(1) Owned by any governmental agency or political subdivision of this State; and*

*(2) Identified by the entity which owns the vehicle as a vehicle used to provide law enforcement services.*

*(d) "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.*

**Sec. 10.** (Deleted by amendment.)

**Sec. 11.** (Deleted by amendment.)

**Sec. 12.** (Deleted by amendment.)

**Sec. 13.** **NRS 116A.410 is hereby amended to read as follows:**

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

(a) Must establish the qualifications for the issuance of such a certificate, including, without limitation, the education and experience required to obtain such a certificate. The regulations must include, without limitation, provisions that:

(1) Provide for the issuance of a temporary certificate for a 1-year period to a person who:

(I) Holds a professional designation in the field of management of a common-interest community from a nationally recognized organization;

(II) Provides evidence that the person has been engaged in the management of a common-interest community for at least 5 years; and

(III) Has not been the subject of any disciplinary action in another state in connection with the management of a common-interest community.

(2) Except as otherwise provided in subparagraph (3), provide for the issuance of a temporary certificate for a 1-year period to a person who:

(I) Receives an offer of employment as a community manager from an association; and

(II) Has management experience determined to be sufficient by the executive board of the association making the offer in sub-subparagraph (I). The executive board must have sole discretion to make the determination required in this sub-subparagraph.

(3) Require a temporary certificate described in subparagraph (2) to expire before the end of the 1-year period if the certificate holder ceases to be employed by the association which offered him employment as described in subparagraph (2).

(4) Require a person who is issued a temporary certificate as described in subparagraph (1) or (2) to successfully complete not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act within the 1-year period.

(5) Provide for the issuance of a certificate at the conclusion of the 1-year period if the person:

(I) Has successfully completed not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act; and

(II) Has not been the subject of any disciplinary action pursuant to this chapter, chapter 116 of NRS or any regulations adopted pursuant thereto.

(6) Provide that a temporary certificate described in subparagraph (1) or (2), and a certificate described in subparagraph (5):

(I) Must authorize the person who is issued a temporary certificate described in subparagraph (1) or (2) or certificate described in subparagraph (5) to act in all respects as a community manager and exercise all powers available to any other community manager without regard to experience; and

(II) Must not be treated as a limited, restricted or provisional form of a certificate.

(b) May require applicants to pass an examination in order to obtain a certificate. ~~It~~ other than a temporary certificate described in paragraph (a). If the regulations require such an examination, the Commission shall by regulation establish fees to pay the costs of the examination, including any costs which are necessary for the administration of the examination.

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

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

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

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

3. As used in this subsection, "management experience" means experience in a position in business or government, including, without limitation, in the military:

(a) In which the person holding the position was required, as part of holding the position, to engage in one or more management activities, including, without limitation, supervision of personnel, development of budgets or financial plans, protection of assets, logistics, management of human resources, development or training of personnel, public relations, or protection or maintenance of facilities; and

(b) Without regard to whether the person holding the position has any experience managing or otherwise working for an association.

~~[Sec. 13.]~~ **Sec. 14.** The amendatory provisions of section 2.5 of this act apply to all owners of property in a common-interest community that is exempt from taxation pursuant to NRS 361.125 who are not obligated to pay assessments as of January 1, 2007.