Amendment No. 352

Assembly Amendment to Assembly Bill No. 311	(BDR 10-389)
Proposed by: Assembly Committee on Judiciary	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION				**Initial and Date**	**SENATE ACTION**				**Initial and Date**
Adopted	☐	Lost	☐	____________	Adopted	☐	Lost	☐	____________
Concurred In	☐	Not	☐	____________	Concurred In	☐	Not	☐	____________
Receded	☐	Not	☐	____________	Receded	☐	Not	☐	____________

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 dashed underlining** is newly added transitory language.

DDE/EGO Date: 4/13/2009

A.B. No. 311—Revises provisions governing the financial statements of common-interest communities. (BDR 10-389)

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ASSEMBLY BILL NO. 311–ASSEMBLYMEN SETTELMEYER; AIZLEY, BOBZIEN, BUCKLEY, CARPENTER, CHRISTENSEN, COBB, CONKLIN, DENIS, GANSERT, GOEDHART, GOICOECHEA, GRADY, GUSTAVSON, HAMBRICK, HARDY, KIRKPATRICK, MANENDO, MASTROLUCA, MCARTHUR, SMITH, STEWART AND WOODBURY

MARCH 12, 2009

JOINT SPONSORS: SENATORS AMODEI, HARDY AND WASHINGTON

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing the financial statements of common-interest communities. (BDR 10-389)

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; revising provisions governing the audit and review of financial statements of common-interest communities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a unit owners' association with an annual budget of less than $75,000 to have its financial statement audited once every 4 fiscal years unless an audit for a fiscal year in which an audit will not be conducted is requested by 15 percent of the total number of voting members of the association. This bill **eliminates the requirement of an audit and instead** requires the financial statement of such an association to be reviewed ~~[once every 4 fiscal years]~~ **in the year immediately preceding the year in which a study of the association's reserves is conducted** unless ~~[an audit]~~ **a review** is otherwise requested by the voting members of the association.

Existing law also requires an association with an annual budget of $75,000 or more but less than $150,000 to have its financial statement audited once every 4 fiscal years and reviewed every fiscal year for which an audit is not conducted. This bill **eliminates the requirement of an audit and instead** requires the financial statement of such an association to be reviewed every fiscal year **.** ~~[unless an audit is otherwise requested by 15 percent of the total number of voting members of the association.]~~ (NRS 116.31144)

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

Section 1. NRS 116.31144 is hereby amended to read as follows:

116.31144 1. Except as otherwise provided in subsection 2, the executive board shall:

(a) If the annual budget of the association is less than $75,000, cause the financial statement of the association to be ~~[audited]~~ ***reviewed*** by an independent certified public accountant ~~[at least]~~ ~~[once every 4 fiscal years.]~~ ***during the year immediately preceding the year in which a study of the reserves of the association is to be conducted pursuant to NRS 116.31152.***

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

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

~~(2) Reviewed]~~ ***reviewed*** by an independent certified public accountant every fiscal year **.** ~~[for which an audit is not conducted.]~~

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

2. For any fiscal year for which ~~[an audit]~~ ***a review*** of the financial statement of the association will not be conducted pursuant to ***paragraph (a) of*** subsection 1, the executive board shall cause the financial statement for that fiscal year to be ~~[audited]~~ ***reviewed*** by an independent certified public accountant if, within 180 days before the end of the fiscal year, 15 percent of the total number of voting members of the association submit a written request for such ~~[an audit.]~~ ***a review.***

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

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

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