

Amendment No. 492

Assembly Amendment to Assembly Bill No. 311 First Reprint (BDR 10-389)

Proposed by: Assemblyman Settelmeyer**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.

EGO



Date: 4/16/2009

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



ASSEMBLY BILL NO. 311—ASSEMBLYMEN SETTELMAYER; 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. (NRS 116.31144). This bill ~~eliminates the requirement of an audit and instead~~ requires the financial statement of such an association to be reviewed in the year immediately preceding the year in which a study of the association's reserves is conducted unless ~~to review~~ an audit is otherwise requested by 15 percent of 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. (NRS 116.31144). This bill ~~eliminates the requirement of an audit and instead~~ requires the financial statement of such an association to be reviewed every fiscal year ~~by (NRS 116.31144)~~ unless an audit is otherwise requested by 15 percent of the voting members of the association.

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 **of an association to which paragraph (a) or (b) of subsection 1 applies** 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.