

SENATE BILL NO. 149—SENATOR RHODS

FEBRUARY 19, 2009

Referred to Committee on Judiciary

SUMMARY—Exempts limited-purpose associations that are created for a rural agricultural residential common-interest community from certain fees. (BDR 10-771)

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

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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; exempts limited-purpose associations that are created for a rural agricultural residential common-interest community from certain fees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, a limited-purpose common-interest community must
2 comply with certain requirements, including paying the fees required pursuant to
3 NRS 116.31155. Such fees must be used, in part, to fund the Office of the
4 Ombudsman for Owners in Common-Interest Communities and Condominium
5 Hotels. (NRS 116.1201) This bill amends existing law to exempt a limited-purpose
6 association that is created for a rural agricultural residential common-interest
7 community from the requirement to pay such fees. (NRS 116.1201)

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

1 **Section 1.** NRS 116.1201 is hereby amended to read as
2 follows:

3 116.1201 1. Except as otherwise provided in this section and
4 NRS 116.1203, this chapter applies to all common-interest
5 communities created within this State.

6 2. This chapter does not apply to:

7 (a) A limited-purpose association, except that a limited-purpose
8 association:



(1) Shall pay the fees required pursuant to NRS 116.31155 ~~§~~, *unless the limited-purpose association is created for a rural agricultural residential common-interest community;*

(2) Shall register with the Ombudsman pursuant to NRS 116.31158;

(3) Shall comply with the provisions of:

(I) NRS 116.31038, 116.31083 and 116.31152; and

(II) NRS 116.31075, if the limited-purpose association is created for a rural agricultural residential common-interest community;

(4) Shall comply with the provisions of NRS 116.4101 to 116.412, inclusive, as required by the regulations adopted by the Commission pursuant to paragraph (b) of subsection 5; and

(5) Shall not enforce any restrictions concerning the use of units by the units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

(b) A planned community in which all units are restricted exclusively to nonresidential use unless the declaration provides that this chapter does apply to that planned community. This chapter applies to a planned community containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted only if the declaration so provides or if the real estate comprising the units that may be used for residential purposes would be a planned community in the absence of the units that may not be used for residential purposes.

(c) Common-interest communities or units located outside of this State, but the provisions of NRS 116.4102 to 116.4108, inclusive, apply to all contracts for the disposition thereof signed in this State by any party unless exempt under subsection 2 of NRS 116.4101.

(d) A common-interest community that was created before January 1, 1992, is located in a county whose population is less than 50,000, and has less than 50 percent of the units within the community put to residential use, unless a majority of the units' owners otherwise elect in writing.

(e) Except as otherwise provided in this chapter, time shares governed by the provisions of chapter 119A of NRS.

3. The provisions of this chapter do not:

(a) Prohibit a common-interest community created before January 1, 1992, from providing for separate classes of voting for the units' owners;

(b) Require a common-interest community created before January 1, 1992, to comply with the provisions of NRS 116.2101 to 116.2122, inclusive;



(c) Invalidate any assessments that were imposed on or before October 1, 1999, by a common-interest community created before January 1, 1992; or

(d) Prohibit a common-interest community created before January 1, 1992, or a common-interest community described in NRS 116.31105 from providing for a representative form of government.

4. The provisions of chapters 117 and 278A of NRS do not apply to common-interest communities.

5. The Commission shall establish, by regulation:

(a) The criteria for determining whether an association, a limited-purpose association or a common-interest community satisfies the requirements for an exemption or limited exemption from any provision of this chapter; and

(b) The extent to which a limited-purpose association must comply with the provisions of NRS 116.4101 to 116.412, inclusive.

6. As used in this section, "limited-purpose association" means an association that:

(a) Is created for the limited purpose of maintaining:

(1) The landscape of the common elements of a common-interest community;

(2) Facilities for flood control; or

(3) A rural agricultural residential common-interest community; and

(b) Is not authorized by its governing documents to enforce any restrictions concerning the use of units by units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

Sec. 2. This act becomes effective on July 1, 2009.

