MINUTES OF THE
SENATE COMMITTEE ON JUDICIARY

Seventy-fifth Session
March 25, 2009

The Senate Committee on Judiciary was called to order by Chair Terry Care at 8:37 a.m. on Wednesday, March 25, 2009, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Terry Care, Chair
Senator Valerie Wiener, Vice Chair
Senator David R. Parks
Senator Allison Copening
Senator Maurice E. Washington

COMMITTEE MEMBERS ABSENT:

Senator Mike McGinness (excused)
Senator Mark E. Amodei (excused)

STAFF MEMBERS PRESENT:

Linda J. Eissmann, Committee Policy Analyst
Bradley A. Wilkinson, Chief Deputy Legislative Counsel
Judith Anker-Nissen, Committee Secretary

OTHERS PRESENT:

Teresa McKee, General Counsel, Nevada Association of Realtors
M. J. Harvey
Karen D. Dennison, Lake at Las Vegas Joint Venture, LLC; Real Property Section, State Bar of Nevada
Angela Rock, Olympia Group Companies
Jonathan Friedrich, Nevada Homeowners Coalition
Mandy Shavinsky, Real Property Section, State Bar of Nevada

Lisa Corrado, Redevelopment Project Manager, City of Henderson
Sabra Smith-Newby, Director, Administrative Services, Clark County

CHAIR CARE:
I was approached regarding Senate Bill (S.B.) 262 which describes penalties for the cultivation of marijuana in greater amounts than allowable for medical use. Senate Bill 262 was referred to the Senate Committee on Health and Education. I have read it and discussed it with Bradley Wilkinson, Chief Deputy Legislative Counsel. If that Committee wants to rerefer it to Judiciary, then we will be prepared to hear it.

SENATE BILL 262: Prescribes penalties for the cultivation of marijuana in greater amounts than is allowable for medical use. (BDR 40-1107)

SENATOR WIENER:
I had a conversation with the sponsor of S.B. 262. That is a chapter we deal with regularly. Again, it is the call of the sponsor.

SENATOR COPENING:
We will leave it in Health and Education; it has been scheduled.

CHAIR CARE:
I, and other members of the Committee, have received e-mails following the hearings on S.B. 182 and S.B. 183.

SENATE BILL 182: Makes various changes relating to common-interest communities. (BDR 10-795)

SENATE BILL 183: Revises various provisions governing common-interest communities. (BDR 10-70)

If you sign up to testify, we will try to fit you in. I am willing to fit anybody in that time allows. I will open the hearing on S.B. 253.

SENATE BILL 253: Makes various changes to provisions relating to common-interest communities. (BDR 10-18)

John Leach sent material with comments on S.B. 253 and S.B. 261. I want these letters to be part of the record (Exhibit C).

SENATOR DAVID R. PARKS (Clark County Senatorial District No. 7):
Today I come before you with S.B. 253, a common-interest community bill. There may be a total of 18 bills dealing with common-interest communities—but S.B. 253 is not replicated in the other bills. It is close to a stand-alone bill, and its provisions are not repeated in other bills.

By way of background, S.B. 253 has a tortuous history. This is the third time that the bill is advancing forward. It started approximately five years ago with a conversation I had with a friend in Las Vegas, M.J. Harvey, regarding homeowners' associations and board actions.

In the 2005 Session, this bill was A.B. 290 of the 73rd Session and it passed both Houses but died as a result of an amendment added on the Senate Floor

In 2007, this bill was A.B. No. 11 of the 74th Session. I reintroduced the bill and had it prefiled. It ended up being added into A.B. No. 396 of the 74th Session which was eventually vetoed by the Governor. I am here again today to have S.B. 253 considered.

I would like to go through the provisions of S.B. 253 and indicate that for the third time, we have an amendment, (Exhibit D), requested by Karen Dennison.

Section 2 of S.B. 253 provides additional ethical requirements for members of an executive board of a unit-owners association by requiring that a member who stands to gain any personal profit or compensation from a matter before the executive board disclose the matter to the executive board as well as to abstain. It is no different than what we elected officials are required to do.

Sections 3 and 5 of S.B. 253 require the association that solicits bids for association projects to consider and open the bids during a meeting of the executive board of the association. In other words, keep everything open and transparent, no opening bids in a closed session or strictly by a unit manager where collusion could take place.

Section 6 of S.B. 253 provides that unless at the time a unit's owner purchased his unit, the declaration prohibited the unit's owner from renting or leasing his unit, the association may not prohibit the unit's owner from renting or leasing his unit. This is something I had experienced. I had bought a rental some years ago that came with a tenant who was the one and only tenant during the time I

owned the unit. I was informed by the manager of the condominium that I would have to cease renting my unit to a tenant of more than five years.

Section 6 also provides if a declaration contains a provision establishing a maximum number or percentage of units in the common-interest community that may be rented, that provision of the declaration may not be amended after October 1, 2009 to decrease the maximum number or percentage of units that may be rented.

Section 7 of S.B. 253 makes a provision allowing the transient commercial use of units applicable in all counties, not just counties over 400,000.

Section 8 of S.B. 253 requires the unit owner to furnish a resale package at the owner's expense and requires the disclosure of any transfer fees, transaction fees and other fees associated with resale of the unit.

Section 9 of S.B. 253 increases the amount of the administrative fine that may be levied from $5,000 to $10,000.

A number of individuals who have worked with me and support S.B. 253, would at least like to put their names on the record.

CHAIR CARE:
I did have some questions. You are well versed in the subject, but if you would like me to defer and ask those questions of others you have worked with who will testify on S.B. 253, I can do that.

SENATOR PARKS:
They might do that more clearly.

TERESA MCKEE (Nevada Association of Realtors):
We do heartily support S.B. 253, and I am happy to answer any questions of the portions of which we are involved.

CHAIR CARE:
As to section 2 of S.B. 253, if I am not mistaken, a similar section worded differently is in both S.B. 182 and S.B. 183. They all address the same basic concept. We may change the language, but I am glad to see that included. This

is obviously a concern of several people bringing forth common-interest community (CIC) legislation this Session.

Section 6 is the rental provision. Do I read this correctly, whether you buy a unit that already has a tenant or you decide to move elsewhere and install a tenant, it is already set up. Let us say S.B. 253 becomes law and then two years down the road, your tenant moves out. You could still rent to another tenant, could you not? Are we saying that this only applies to your unit so long as the tenant was there prior to the effective date of the bill, or if you have been renting a unit, you may continue to rent that specific unit?

MS. MCKEE:
The intent is that the rules about whether you can have a tenant may not change after October. If you validly have a renter in your property and it is approved by the association, if that tenant moves out, you or your tenant may move in. That would not change, but they cannot change the rules on you.

People are experiencing associations changing the rules to fit their whim or advising people after the fact that they are not allowed to have renters in when that may not have been properly disclosed at the onset.

M.J. HARVEY:
I am concerned about sections 2, 3 and 5 of S.B. 253.

My husband and I have been in a property owners' association for 30 years. We have attended most of the board meetings since that time. I have seen many changes and things not so wonderful. One of the egregious things was several years ago when a board member had his own property in question on an item. He voted on that item, he did not disclose that he owned the property nor did he abstain. I am in favor of both sections 1 and 2 of S.B. 253.

The next item is section 3. This too has been a concern through the years with the board as people have come and gone. Some problems seem to carry on. Section 3 says, if an association solicits bids for an association project, the bids must be opened during a meeting of the executive board. I have not had time to talk to Senator Parks regarding this but suggest adding language to section 3, subsection 1, on lines 8 to 10, saying the bids must be opened and the meeting agenda with the bid item must be noticed to all property owners. That is

important because many people do not attend the meetings. They do not know what is going on and should know which bids are to be discussed.

Then in section 3, prior to subsection 2, I suggest language be added to the effect of, "if a bid is not voted on and approved, any continuance to a later board meeting date must be noticed to all property owners." The original language can be a loophole, not making it open and public.

In section 5, subsection 2, "an executive board may not meet in executive session to open or consider bids for an association [project] as defined section 3 ... ." They must do it openly.

I am in favor of the two sections on which Senator Parks worked so hard and so long. I sincerely hope that you will approve these.

CHAIR CARE:
Ms. Harvey, going back to sections 2 and 3, do you read those in tandem? For example, assuming we adopt an amendment, if there is a properly noticed meeting and opening bids are on the agenda, that exercise takes place. This is done in the open at the same time. If it turns out one of the bids is from an entity to which a board member has an ownership, or his spouse has an ownership, that has to be disclosed at that time?

MS. HARVEY:
I am not quite sure what you are saying. The disclosure of ownership is covered well in section 2.

CHAIR CARE:
That is what I mean. I am reading the two together. Let us say you had the properly noticed meeting and this was on the agenda. You opened up the bids at that meeting and there was to be a vote at that time. If an executive board member has an interest in one of those bids, he has to disclose that right then and there.

MS. HARVEY:
I would think so. But I have seen it happen. I am concerned about bids opened at the time of the board meeting. If there is any continuation and discussion, they decide not to take a vote on these three bids as presented. The

continuance is noticed to the property owners for any further time scheduled. I am asking for that.

KAREN D. DENNISON (Lake at Las Vegas Joint Venture, LLC):
As Senator Parks pointed out, this section came up in the last two sessions. Our amendment is more of a belt-and-suspenders amendment. Most people would not read this to say a member of the executive board, who is appointed by the declarant, would be required to abstain from voting solely by reason of the fact they are employed by the declarant. To make that crystal clear, we have added this amendment, Exhibit D, to say—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." I would like to go on record in support of S.B. 253.

SENATOR PARKS:
I fully support the amendments in Exhibit D inclusive.

SENATOR COPENING:
Section 2 of S.B. 253 states "a member of an executive board who stands to gain." To my understanding, the executive board is the president, vice president, secretary and treasurer. Unless I am misunderstanding, on homeowners' associations that I have served on, we have additional board members who do not serve on the executive board. Could you tell me your definition of the executive board?

SENATOR PARKS:
Anybody who might vote on a board to approve anything would be covered under section 2. Maybe the word "executive" should be removed from section 2, line 3, since this individual would be a voting member.

Section 5, on line 19, references an executive board. Often a board requests bids for a street improvement within the common-interest community. The bids are either opened by the association manager or opened randomly. They may say that bids will be received until Wednesday at noon, and then who knows when they open them. The next thing you know, a contractor has been selected. The members of the common-interest community are not aware of the process.

We have seen significant news stories relative to certain abuses. This was the type of thing I was envisioning as far back as five years ago. We are trying to avoid that happening.

You get three bids, and the association manager knows somebody else, calls them up and says, "We got three bids, and they are all over $100,000. If you can fax me a bid for under $100,000 right away, we will give you the work." That is what I am trying to avoid.

SENATOR COPENING:
I will suggest this so there is not a loophole. As I previously stated, in a board that I served on, our bylaws stated there was an executive board and then there was a board of directors. The executive board was the one that could meet behind closed doors to discuss personnel issues. But the board meetings were the ones everybody attended. I offer if any board member stands to gain from any contract, it should be disclosed, not just the executive board. Right now, it says the executive board. We might want to consider saying the executive board or any member of a board of directors of the association.

SENATOR PARKS:
Your first offer of simply removing the word "executive" is agreeable with me. Anyone who is on a board, if they are on the executive board, they are already on the board.

CHAIR CARE:
We can address that as a drafting exercise.

BRADLEY A. WILKINSON (Chief Deputy Legislative Counsel):
There is no reference in *Nevada Revised Statute* (NRS) 116 to any kind of board other than the executive board. I do not know the circumstances of Senator Copening's association, but in NRS 116, there is no identification of another type of board. I do not know if that would be considered a subset of the executive board.

CHAIR CARE:
When we get into work session we will prepare something to address that.

MR. WILKINSON:
I will figure that out.

ANGELA ROCK (Olympia Group Companies):
We are in support of S.B. 253 with the amendment, Exhibit D, proposed by Ms. Dennison to ensure the member, simply by being employed by the declarant, is not in violation of that section.

Two other comments are based on testimony I have previously heard. The first is to Senator Copening. I do happen to have the definition of executive board. As referenced in the statute, it refers to the whole body designated to act on behalf of the association. Your bylaws may set forth a different definition of executive board, but as it relates back to the statute, the language in the statute covers that.

In testimony that I heard from Ms. Harvey in Las Vegas and her concerns about items listed on the agenda, NRS 116.3108, subsection 4, addresses what she wants, which is that items must be listed on the agenda. There must be a detailed list, and there must be notice of whether action is to be taken. It sounds like there is a potential in her situation where they were not complying with statute, but the concern she has is covered in NRS 116.

CHAIR CARE:
Sections in S.B. 182 and S.B. 183 touch on a similar subject. In S.B. 182, there is consequential language. I am going to address this later with the bill sponsor.

Let us say that an executive board votes and fails to disclose, and then it is later learned that the disclosure should have been made. Could we say the act itself is void? Whatever it was, you did not disclose it, now go back and say that vote does not count. We have to go back and do it all over again. Senate Bill 182 actually has, but it is a much more detailed bill. It has what I refer to as double-dealing and payola, with some criminal sanctions. We may end up with similar language in three different bills, and that is fine.

MS. ROCK:
I have had discussions with the sponsor of S.B. 182. One of the items not included is the disclosure element. The individual must abstain from voting. In discussion yesterday, we talked about including some disclosure requirements in S.B. 253. As it stands right now, you have to abstain from voting. That means a board member could not appear at a board meeting and then the membership would be back in the same position.

They need to abstain and disclose. As to your questions, are you asking whether the act is void or should there be criminal penalties?

CHAIR CARE:
Have you had any thoughts along those lines?

MS. ROCK:
In all fairness, that is a difficult question. Minor things probably do not rise to that level. We all know the seriousness of things that can occur and do rise to that level. I would leave some discussions in the hands of the district attorney or whoever is in charge of determining if that is a Class C felony. There are instances that rise to criminal behavior.

JONATHAN FRIEDRICH (Nevada Homeowners Coalition):
I support S.B. 253. I support the concept of disclosure and abstention. On the wording of executive board, maybe the language "any officers or board of directors" might put that issue to rest and clarify it.

As to section 3, I support this wholeheartedly. I would make a suggestion. On line 10, add the words "in open session," so there is no misunderstanding by board members who may not be well versed in the language.

On section 3 subsection 2, I would like to see the words "or services" added on to the end of line 13. It talks about maintenance, repair, replacement or restoration of any part of the common elements, and there might be other contracts involved.

As to section 5, I would support that for the same reasons as I stated previously.

I completely support section 6, subsections 1 and 2.

Section 6, subsection 3, is an important statement. It conforms to the Nevada State Constitution, Article 1, section 15, which deals with the ex-post-facto law and obligations of contract. As we all know, an agreement signed by a homeowners' association is a contract.

Section 8, subsection 1, paragraph (e), lines 14 and 15, is vague. It should be clarified as to what is meant by a transfer fee, transaction fee or any other fees.

Does that mean any of these fees are for the contribution to a reserve account, which in essence is being charged and paid for by the new owner? This would increase the cost of the sale to the new buyer and would not be reflective of the advertised sales price. A situation such as this existed in Sun City Summerlin where a New Owner Reserve Assessment fee was imposed and created controversy.

CHAIR CARE:
We will close the hearing on S.B. 253.

We will open the hearing on S.B. 261. This bill was presented to me by the Real Property Section of the Nevada Bar Association.

SENATE BILL 261: Makes various changes relating to common-interest ownership. (BDR 10-789)

KAREN D. DENNISON (Real Property Section, State Bar of Nevada):
I will read from my testimony (Exhibit E).

I will explain the process that this bill went through before Senator Care received it. Our subcommittee brought the bill forward to the executive committee. The executive committee approved it, I went before the Nevada Bar Association Board of Governors, and they approved it as well. This is how it was brought as a real estate practitioners' bill and not a bill put forward by any one special interest.

Nonresidential condominiums would be commercial condominiums, such as an office condominium. Current law does not exempt them from NRS 116. All the things you have heard that boards go through, including meetings and management issues, also have to be dealt with. Our committee felt that was an unnecessary burden and expense to these projects.

Therefore, we have proposed nonresidential condominiums be exempted from the act as are planned communities right now. Current law exempts nonresidential planned communities from NRS 116. This would bring condominiums in line with planned communities.

The Uniform Common-Interest Ownership Act gives developers several choices. You can opt out of the Act completely, which S.B. 261 provides for, or you can

state only certain sections apply. You can state that Articles 1 and 2 deal with the creation, formation or termination of a community and definitions. Only those sections apply, leaving out the management sections of Article 3 and the disclosure requirements of Article 4. In addition, you can also opt in to the assessment lien foreclosure provisions. It is not clear in the law that without an affirmative statement, you can either opt in or out.

The third item a commercial condominium developer could do would simply state the entire Act does not apply except for the assessment lien foreclosure provisions. Those are the choices S.B. 261 gives to the developer of a nonresidential condominium.

If the election is to have the entire chapter apply, a few sections in subsection 2 and subsection 3 state if you have the entire chapter apply, then you can opt out of the executive board's power to terminate contracts, which is in the Act, without cause. You can also require the nonresidential owners to execute proxies on certain items, but those items must be stated in the declaration so anybody going in knows they have to execute proxies in favor of the declarant on certain specified items.

The second topic is cost-sharing agreements. Examples of cost-sharing agreements could be a road maintenance agreement. These cost-sharing arrangements under S.B. 261 would be removed from NRS 116.

Another example of cost-sharing arrangements is a mixed-use building. You have a residential park that has its own association; you have a commercial space and a cost-sharing arrangement for common elevators or common areas. This is the type of agreement section 4 deals with. Section 4 says you can have three types of cost-sharing agreements. You can have those between two associations, where two common-interest community associations could enter into a cost-sharing agreement. You could have one between an association and the owner of an adjoining parcel or one between two or more lot owners.

Section 3 of Exhibit E deals with master-planned communities. Master-planned communities in the Uniform Act are big communities. This is not to be confused with master associations. Master associations are in NRS 116.212. This is separate and apart from the master-association concept. For a master-planned community, you have a project of at least 500 acres. This is the proposal we have put forward with at least 1,000 units.

CHAIR CARE:
Ms. Dennison, how is the determination made of 1,000 units and 500 acres?

MS. DENNISON:
Five hundred acres is specified in the Uniform Act. The Uniform Act specifies 500 units but considering the policies adopted previously by the Legislature, for example, delegate voting, the threshold is 1,000 units. That was a baseline in determining a master-planned community. The idea is that master-planned communities will probably be developed over several decades. The developer is not able to know and specify certain things that are required.

For example, in the contents of the declaration, until a certain portion of the community is annexed into the declaration, the developer should have some leeway on turnover of developer control. The developer may have to turn over control, generally a 75-percent sellout, of a portion of the project undeveloped at the time under law. From a planning and flexibility standpoint, the Uniform Law Commissioners have developed this idea of a master-planned community. As I say, we are not dictating or stating that 1,000 units or 500 acres are correct. We are working with both the Uniform Act and NRS.

Section 5 on master-planned communities provides for certain provisions of NRS 116 which will not apply. Those sections deal with the contents of the declaration. Some specific provisions of the contents of the declaration do not have to be included if the project is declared a master-planned community.

I refer to our amendment, Exhibit E, which conforms this section to the Uniform Act. In section 5, subsection 2, the phrase "the declaration for the master-planned community need not state a maximum number of units and need not contain any of the information required pursuant to paragraphs (c) to (n), inclusive"—(n) should be (m)—will make it consistent with the Uniform Act. That was an error we did not catch. Likewise, once the property is brought into the master-planned community, all information required by paragraphs (c) through (m), inclusive, of subsection 1 NRS 116.2105, must be included.

Among other provisions not required for a master-planned community are that you do not need to specify all real estate which will be included. The developer may control a certain large portion of real estate but at a later time have an opportunity to buy and add other unspecific real estate. This gives the developer

the opportunity to exceed the limit of 10 percent—which is currently in the law—of additional unspecified real estate.

The termination of developer control does not have to be at 75 percent. The declarant must specify in the declaration the conditions under which the turnover will occur. Anybody going into this master-planned community will know it is not 75 percent, but the percentage is certain in other benchmarks the declarant will disclose in the declaration.

Section 7 has a definition of common-interest community that came from the Uniform Act, which elaborates on the types of expenses considered to include a community as a common-interest community. It also clarifies the fact the cost-sharing agreement is not, per se, a common-interest community.

Other bills have other definitions of common-interest community, which could possibly improve upon this definition. But we are offering the definition in the Uniform Act.

Regarding our corrections, section 9 of the bill deals with planned communities. This section is not necessary. It is a section I referred to earlier which exempts planned communities from NRS 116. There is no need for any cross-reference back to section 3 of the Uniform Act, which will be exclusively nonresidential condominiums.

CHAIR CARE:
We will hear from Mr. Leach later this Session on a bill that he and others have requested. He has language about board and executive board, and we want to look at that.

MANDY SHAVINSKY (Real Property Section, State Bar of Nevada):
I submitted an amendment (Exhibit F) through e-mail yesterday to members of the Committee. I am speaking specifically to sections 12, 21 and 24 of S.B. 261. These sections of the bill and NRS 116, which we are amending, address the plats and plans section that affect the final recorded map, which is part of the item creating the residential units.

I will go through the reasons for our changes and the groups we contacted in an effort to obtain a consensus from various interest groups on this bill. The

general reason we made posing changes to these sections is a disconnect between the actual practice in this area and language used in the statutes.

Second, we are making conforming changes passed last Session in NRS 116B, the Condominium Hotel Act.

Third, we reached out to the surveying community to ensure they were agreeable with the changes we are proposing. They recommended thoughtful changes, most recently as of yesterday. I will go through the sections and generally explain.

In section 12, we deleted the word "plans" in a number of places. No one was sure of the definition of the word "plans" that did not refer to anything the County Surveyor's Office or the Development Services Department in Clark County could point to. Karen Dennison, Michael Buckley and I met with Ron Lynn, Director, Clark County Development Services, to ascertain if he had input on what the word "plans" would mean. In addition, we met with Jeff Ohrn, who was formerly a Clark County surveyor. We came to the conclusion that the words "and plans" in section 12, now in NRS 116.2109, had no effect and served to confuse all. That is why we deleted those sections.

The remaining changes were conforming changes made in response to NRS 116B.350, which is an analogous section to S.B. 261. In section 5, a subsection has been deleted for the same reason the word "plan" was deleted earlier because no one was sure what a "plan of development" was. Our thought was to include it in the final map or the plat, which is recorded, and have people refer to a recorded document and not a plan of development the declarant may have submitted.

In section 6, the surveyors' community requested we delete the word "independent." No one was sure what an independent, professional land surveyor was, and there was significant confusion. The section was redrafted to indicate a plat or final map has to be certified by a professional land surveyor.

We took section 7 from the Uniform Act. It indicated that a plat or final map need not show the location or dimensions of unit boundaries or limited common elements. The section is the subject of my amendment. The surveying community, primarily Robert Carrington and Lisa Corrado from the City of

Henderson, explained to us they had concerns with this section. My amendment, Exhibit F, removes this section.

Section 21 is a change to NRS 116.4119. I did notice that Legislative Counsel Bureau had changed the word "plan" to "plat." Actually, this is a different concept. The word "plan," in the context of the site plan the developer may provide to purchasers to get an idea of what they are purchasing, is correct, so I changed the word "plat" back to "plan."

Section 24 is conforming changes we had proposed to NRS 116.2109. You will also note in subsection 4 we have deleted the language regarding not showing the location of unit boundaries and limited-common elements, which the surveyors did not like. That is my explanation of changes.

CHAIR CARE:
I do have the e-mail chain which goes to section 12 of S.B. 261.

MR. FRIEDRICH:
I had two comments regarding S.B. 261. In section 12, subsection 4, page 9, lines 29 to 32 and section 24, subsection 6, page 19, lines 31 to 35. The word "elevations" would be removed from a plat based upon the language. In a situation where a new complex is being designed and built, how would a sophisticated purchaser determine what grades and contours were to surround the property, which is predicated on the concept they are buying from paper and not an actual constructed facility?

In addition, the local building department would require this information before approving a permit to build. No one would want water coming onto their property or into their homes. Therefore, the removal of this information from a plat is not a good idea as it needs to be shown.

Regarding section 12, subsection 5 where they are contemplating removing this language: It should remain so prospective buyers know what they are buying as far as the amenities. By taking this section out, a developer can falsely claim improvements to entice purchasers and then never deliver on the promises. The phrase "need not be built" must remain to indicate it is not guaranteed as part of the final completion of the project.

CHAIR CARE:
Ms. Dennison and Ms. Shavinsky, I normally would not do this, but do you want to come forward and comment as to what Mr. Friedrich just said?

MS. SHAVINSKY:
I actually missed the first section of elevations that Mr. Friedrich commented on, so I will come back to that.

In section 12, subsection 5, regarding the plat, there was no guideline on a plan of development to the extent of something shown on the final map. If the plat is shown and the declarant thinks it may not have to build, that is another issue.

This is a reference to a plan of development. I have had discussions with the building department, the different surveyors and members of our committee. There was no consensus on what constitutes this plan of development. Let us refer to the plat as the document which guides the purchaser's decision in connection with any other collateral materials provided. Because the concept of a plan of development was unclear, it came to our attention that declarants did not know what to do. We did not know how to advise people.

In addition, this language was suggested by Michael Buckley, the CIC Chair. He and I had discussion at our meetings during the interim, and he said he added it to clarify things. None of us knew what it meant, and if we did not know what it meant, it would not protect anybody.

CHAIR CARE:
We will work with those interpretations and explanations.

LISA CORRADO (Redevelopment Project Manager, City of Henderson):
Ms. Shavinsky went through the amendments, primarily section 12, subsection 7. Final maps include the boundaries and dimensions of the units. Removing that language addressed the concern of our city surveyor. There was a related reference again in the new section 24, subsection 4.

SABRA SMITH-NEWBY (Director, Administrative Services, Clark County):
Clark County also had concerns with section 12, subsection 7. Those issues by the county assessor and our surveyors have been addressed by the deletion of that language.

CHAIR CARE:
I will close the hearing on S.B. 261.

The Committee is adjourned at 9:41 a.m.

RESPECTFULLY SUBMITTED:

Judith Anker-Nissen,
Committee Secretary

APPROVED BY:

Senator Terry Care, Chair

DATE: