

Amendment No. 739

Assembly Amendment to Senate Bill No. 403 First Reprint	(BDR 10-1126)
Proposed by: Assembly Committee on Judiciary	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No	

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 underlining* is newly added transitory language.

DP/KEL



Date: 5/24/2011

S.B. No. 403—Revises provisions relating to the information which must be provided by a unit’s owner in a resale transaction.
(BDR 10-1126)



SENATE BILL NO. 403—COMMITTEE ON JUDICIARY

MARCH 28, 2011

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to the information which must be provided by a unit's owner in a resale transaction. (BDR 10-1126)

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 relating to the information which must be provided by a unit's owner in a resale transaction; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill revises provisions relating to the information which must be provided in a resale package by a unit's owner for the benefit of a purchaser in a resale transaction.

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

Section 1. NRS 116.4109 is hereby amended to read as follows:

116.4109 1. Except in the case of a sale in which delivery of a public offering statement is required, or unless exempt under subsection 2 of NRS 116.4101, a unit's owner or his or her authorized agent shall, at the expense of the unit's owner, furnish to a purchaser a resale package containing all of the following:

(a) A copy of the declaration, other than any plats, the bylaws, the rules or regulations of the association and the information statement required by NRS 116.41095. ~~§~~

(b) A statement *from the association* setting forth the amount of the monthly assessment for common expenses and any unpaid ~~assessment~~ *obligation* of any kind, *including, without limitation, management fees, transfer fees, fines, penalties, interest, collection costs, foreclosure fees and attorney's fees* currently due from the selling unit's owner. ~~§~~ *The statement remains effective for the period specified in the statement, which must not be less than 15 working days from the date of delivery by the association to the unit's owner or his or her agent. If the association becomes aware of an error in the statement during the period in which the statement is effective but before the consummation of the resale, the association must deliver a replacement statement to the unit's owner*

1 *or his or her agent and obtain an acknowledgment in writing by the unit's owner*
2 *or his or her agent before that consummation. Unless the unit's owner or his or*
3 *her agent receives a replacement statement, the unit's owner or his or her agent*
4 *may rely upon the accuracy of the information set forth in a statement provided*
5 *by the association for the resale.*

6 (c) A copy of the current operating budget of the association and current year-
7 to-date financial statement for the association, which must include a summary of
8 the reserves of the association required by NRS 116.31152 and which must include,
9 without limitation, a summary of the information described in paragraphs (a) to (e),
10 inclusive, of subsection 3 of NRS 116.31152. ~~††~~

11 (d) A statement of any unsatisfied judgments or pending legal actions against
12 the association and the status of any pending legal actions relating to the common-
13 interest community of which the unit's owner has actual knowledge. ~~††~~

14 (e) A statement of any transfer fees, transaction fees or any other fees
15 associated with the resale of a unit. ~~†; and†~~

16 (f) In addition to any other document, a statement describing all current and
17 expected fees or charges for each unit, including, without limitation, association
18 fees, fines, assessments, late charges or penalties, interest rates on delinquent
19 assessments, additional costs for collecting past due fines and charges for opening
20 or closing any file for each unit.

21 2. The purchaser may, by written notice, cancel the contract of purchase until
22 midnight of the fifth calendar day following the date of receipt of the resale
23 package described in subsection 1, and the contract for purchase must contain a
24 provision to that effect. If the purchaser elects to cancel a contract pursuant to this
25 subsection, the purchaser must hand deliver the notice of cancellation to the unit's
26 owner or his or her authorized agent or mail the notice of cancellation by prepaid
27 United States mail to the unit's owner or his or her authorized agent. Cancellation is
28 without penalty, and all payments made by the purchaser before cancellation must
29 be refunded promptly. If the purchaser has accepted a conveyance of the unit, the
30 purchaser is not entitled to:

31 (a) Cancel the contract pursuant to this subsection; or

32 (b) Damages, rescission or other relief based solely on the ground that the
33 unit's owner or his or her authorized agent failed to furnish the resale package, or
34 any portion thereof, as required by this section.

35 3. Within 10 days after receipt of a written request by a unit's owner or his or
36 her authorized agent, the association shall furnish all of the following to the unit's
37 owner or his or her authorized agent for inclusion in the resale package:

38 (a) Copies of the documents required pursuant to paragraphs (a) and (c) of
39 subsection 1; and

40 (b) A certificate containing the information necessary to enable the unit's
41 owner to comply with paragraphs (b), (d) and (e) of subsection 1.

42 4. If the association furnishes the documents and certificate pursuant to
43 subsection 3:

44 (a) The unit's owner or his or her authorized agent shall include the documents
45 and certificate in the resale package provided to the purchaser, and neither the
46 unit's owner nor his or her authorized agent is liable to the purchaser for any
47 erroneous information provided by the association and included in the documents
48 and certificate.

49 (b) The association may charge the unit's owner a reasonable fee to cover the
50 cost of preparing the certificate furnished pursuant to subsection 3. Such a fee must
51 be based on the actual cost the association incurs to fulfill the requirements of this
52 section in preparing the certificate. The Commission shall adopt regulations

1 establishing the maximum amount of the fee that an association may charge for
2 preparing the certificate.

3 (c) The association may charge the unit's owner a reasonable fee, not to exceed
4 25 cents per page, to cover the cost of copying the other documents furnished
5 pursuant to subsection 3.

6 (d) Except for the fees allowed pursuant to paragraphs (b) and (c), the
7 association may not charge the unit's owner any other fees for preparing or
8 furnishing the documents and certificate pursuant to subsection 3.

9 5. Neither a purchaser nor the purchaser's interest in a unit is liable for any
10 unpaid assessment or fee greater than the amount set forth in the documents and
11 certificate prepared by the association. If the association fails to furnish the
12 documents and certificate within the 10 days allowed by this section, the ~~seller~~
13 purchaser is not liable for the delinquent assessment.

14 6. Upon the request of a unit's owner or his or her authorized agent, or upon
15 the request of a purchaser to whom the unit's owner has provided a resale package
16 pursuant to this section or his or her authorized agent, the association shall make
17 the entire study of the reserves of the association which is required by NRS
18 116.31152 reasonably available for the unit's owner, purchaser or authorized agent
19 to inspect, examine, photocopy and audit. The study must be made available at the
20 business office of the association or some other suitable location within the county
21 where the common-interest community is situated or, if it is situated in more than
22 one county, within one of those counties.