

Amendment No. 32

Senate Amendment to Senate Bill No. 89 (BDR 10-595)

Proposed by: Senate 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 underlining*** is newly added transitory language.

BAW



Date: 3/31/2011

S.B. No. 89—Revises provisions governing audits and reviews of financial statements of common-interest communities. (BDR 10-595)



SENATE BILL NO. 89—SENATOR MCGINNESS

PREFILED JANUARY 19, 2011

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing audits and reviews of financial statements of common-interest communities. (BDR 10-595)

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 an independent certified public accountant review its financial statement in the year immediately preceding the year in which a study of the association's reserves is conducted unless an audit is otherwise requested by 15 percent of the voting members of the association. (NRS 116.31144) This bill exempts associations with an annual budget of less than \$45,000 from this requirement. ~~and requires the executive board of such an association to review the association's financial statement every fiscal year unless an audit by an independent certified public accountant 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 \$45,000, review the financial statement of the association every fiscal year.~~
(b) If the annual budget of the association is ***\$45,000 or more*** but less than \$75,000, cause the financial statement of the association to be reviewed by an independent certified public accountant 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~~ 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 reviewed by an independent certified public accountant every fiscal year.

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

4 2. ~~For~~ Except as otherwise provided in this subsection, for any fiscal year,
5 the executive board of an association ~~to which paragraph (a), (b), or (c) of~~
6 ~~subsection 1 applies~~ shall cause the financial statement for that fiscal year to be
7 audited by an independent certified public accountant if, within 180 days before the
8 end of the fiscal year, 15 percent of the total number of voting members of the
9 association submit a written request for such an audit. The provisions of this
10 subsection do not apply to an association described in paragraph (c) of subsection
11 1.

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

15 (a) The qualifications necessary for a person to audit or review financial
16 statements of an association ~~;~~ ~~pursuant to paragraph (b), (c) or (d) of subsection 1~~
17 ~~or subsection 2;~~ and

18 (b) The standards and format to be followed ~~by~~
19 ~~(1) An executive board~~ in auditing or reviewing financial statements of an
20 association ~~;~~ ~~pursuant to paragraph (a) of subsection 1; and~~

21 ~~(2) An independent certified public accountant in auditing or reviewing~~
22 ~~financial statements of an association pursuant to paragraph (b), (c) or (d) of~~
23 ~~subsection 1 or subsection 2;~~

24 Sec. 2. This act becomes effective upon passage and approval.