

---

SENATE BILL NO. 195—SENATORS HALSETH; GUSTAVSON,  
KIECKHEFER, KIHUEN, MCGINNESS AND ROBERSON

FEBRUARY 24, 2011

---

JOINT SPONSORS: ASSEMBLYMEN BROOKS, ELLISON,  
GOEDHART, HAMBRICK AND KIRNER

---

Referred to Committee on Judiciary

**SUMMARY**—Revises provisions relating to the costs of collecting past due financial obligations in common-interest communities. (BDR 10-832)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

---

AN ACT relating to common-interest communities; establishing limits on the amount which may be charged to a unit's owner to cover the costs of collecting a past due financial obligation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law requires the Commission for Common-Interest Communities and
  - 2 Condominium Hotels to adopt regulations establishing the amount of the fees that
  - 3 may be charged to a unit's owner to cover the costs of collecting a past due
  - 4 financial obligation owed to an association. (NRS 116.310313) This bill establishes
  - 5 limits on the amount a unit's owner may be charged to cover the costs of collecting
  - 6 such obligations, which are based on the amount of the outstanding balance of the
  - 7 past due obligation. However, notwithstanding the amount of the past due
  - 8 obligation, if the association or a person acting on its behalf sells a unit by
  - 9 foreclosing an association's lien on the unit, the amount of the limit is \$1,200.
- 



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

**Section 1.** NRS 116.310313 is hereby amended to read as follows:

116.310313 1. ~~[An]~~ *Except as otherwise provided in subsection 2, if the governing documents authorize an association [may] to charge a unit's owner [reasonable fees to cover] the costs of collecting any past due obligation [The Commission shall adopt regulations establishing the amount of the fees that an association may charge pursuant to this section], the rate established by the association for the costs of collecting the past due obligation:*

*(a) May not exceed \$50, if the outstanding balance is less than \$200.*

*(b) May not exceed \$75, if the outstanding balance is \$200 or more but is less than \$500.*

*(c) May not exceed \$100, if the outstanding balance is \$500 or more but is less than \$1,000.*

*(d) May not exceed \$250, if the outstanding balance is \$1,000 or more but is less than \$5,000.*

*(e) May not exceed \$500, if the outstanding balance is \$5,000 or more.*

2. *Notwithstanding the amount of the outstanding balance, if an association sells a unit by foreclosing a lien pursuant to NRS 116.31162 to 116.31168, inclusive, the rate established by the association for the costs of collecting a past due obligation may not exceed \$1,200.*

3. The provisions of this section apply to any costs of collecting a past due obligation charged to a unit's owner, regardless of whether the past due obligation is collected by the association itself or by any person acting on behalf of the association, including, without limitation, an officer or employee of the association, a community manager or a collection agency.

~~[3.]~~ 4. As used in this section:

(a) "Costs of collecting" includes any fee, charge or cost, by whatever name, including, without limitation, any collection fee, filing fee, recording fee, fee related to the preparation, recording or delivery of a ~~[lien or lien rescission,]~~ *notice of default and election to sell or notice of foreclosure sale or a rescission thereof*, title search lien fee, bankruptcy search fee, referral fee, fee for postage or delivery and any other fee or cost that an association charges a unit's owner for the investigation, enforcement or collection of a past due obligation. The term does not include any costs incurred by an association if a lawsuit is filed to enforce any past due obligation or any costs awarded by a court.



1 (b) “Obligation” means any assessment, fine, construction  
2 penalty, fee, charge or interest levied or imposed against a unit’s  
3 owner pursuant to any provision of this chapter or the governing  
4 documents.

5 (c) *“Outstanding balance” means the amount of a past due*  
6 *obligation that remains unpaid before any interest, charges for*  
7 *late payment or costs of collecting the past due obligation are*  
8 *added.*

