

**MINUTES OF THE MEETING
OF THE
ASSEMBLY SUBCOMMITTEE ON JUDICIARY**

**Seventy-Sixth Session
April 1, 2011**

The Committee on Judiciary Subcommittee was called to order by Chairman James Ohrenschall at 7:44 a.m. on Friday, April 1, 2011, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman James Ohrenschall, Chairman
Assemblyman Richard Carrillo
Assemblyman Richard McArthur

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblyman Harvey J. Munford, Clark County Assembly District No. 6

STAFF MEMBERS PRESENT:

Dave Ziegler, Committee Policy Analyst
Nick Anthony, Committee Counsel
Julie Kellen, Committee Secretary
Nancy Davis, Committee Secretary

OTHERS PRESENT:

George Flint, representing Reno Wedding Chapel Alliance
Margaret Flint, representing Reno Wedding Chapel Alliance
Tim Stebbins, Private Citizen, Henderson, Nevada
Robert Robey, Private Citizen, Las Vegas, Nevada
Gary Brodt, Private Citizen, Summerlin, Nevada
Michael DeLee, Private Citizen, Amargosa Valley, Nevada
Rana Goodman, Private Citizen, Henderson, Nevada
Norman McCullough, Private Citizen, Henderson, Nevada
Gary Seitz, Private Citizen, Las Vegas, Nevada
Camille Brunetta, Private Citizen, Henderson, Nevada
Anthony Brunetta, Private Citizen, Henderson, Nevada
Jonathan Friedrich, Private Citizen, Las Vegas, Nevada
Trevor Hayes, representing Nevada Press Association
Barbara Holland, Private Citizen, Las Vegas, Nevada
Kay Dwyer, Private Citizen, Henderson, Nevada
Constance J. Brooks, Senior Management Analyst, Clark County
Manager's Office
Terri Barber, Chief Legislative Advocate, City of Henderson
David Creekman, Chief Deputy District Attorney, Civil Division,
Washoe County District Attorney
Deonne E. Contine, Deputy Attorney General, Division of Business and
Licensing, Office of the Attorney General
Joyce Haldeman, Associate Superintendent, Clark County School District
David Bowers, City Engineer, Department of Public Works, City of
Las Vegas
James T. Endres, Executive Director, Government Affairs Group,
McDonald Carano Wilson, LLP
Garrett Gordon, representing Southern Highlands Community Association
Marilyn Brainard, Private Citizen, Sparks, Nevada
John Radocha, Private Citizen, Las Vegas, Nevada
Delores Bornbach, Private Citizen, Las Vegas, Nevada
Doris Vescio, Private Citizen, Henderson, Nevada
Joyce Patterson-Rogers, Private Citizen, Las Vegas, Nevada
Robert Frank, Private Citizen, Henderson, Nevada
Sarah Goldstein, representing Golden Crest Property Inc.
Robin Huhn, Private Citizen, Las Vegas, Nevada
Kevin Wallace, representing Community Association Management
Executive Officers, Inc.
David Berman, Private Citizen, Henderson, Nevada
Pamela Scott, Director, Community Association Management,
Howard Hughes Corporation

Chairman Ohrenschall:

[Roll was called.] We have two bills on the agenda today, and we will start with my bill and open the hearing on Assembly Bill 389. I will turn the gavel over to Assemblyman Carrillo.

Assembly Bill 389: Revises provisions regarding the Open Meeting Law.
(BDR 19-226)

Acting Chairman Carrillo:

Please proceed with your presentation.

Assemblyman James Ohrenschall, Clark County Assembly District No. 12:

Thank you for considering A.B. 389 today. This bill is an important measure for the many Nevadans living in common-interest communities (CICs). I would like to read the preamble of a CIC bill passed by this body, Senate Bill No. 192 of the 70th Session. I think it best captures the nature of CICs and the relationship to those who live in them. That preamble states:

WHEREAS, Planned communities are a dominant method of development in the State of Nevada; and

WHEREAS, Planned communities are developed for the purposes of preserving neighborhood continuity and creating desirable places to reside; and

WHEREAS, Planned communities are governed by specific rules and regulations and by unit owners' associations; and

WHEREAS, A unit owners' association is the form of self-government closest to the people; and

WHEREAS, All forms of government should follow the basic principles of democracy found in the United States Constitution and the Nevada Constitution; and

WHEREAS, Some unit owners' associations in the this state have a history of abuse of power; and

WHEREAS, Unit owners' associations have power over one of the most important aspects of a person's life, his residence; and

WHEREAS, Homeowners invest financially and emotionally in their homes; and

WHEREAS, Homeowners have the right to reside in a community without fear of illegal, unfair, unnecessary, unduly burdensome or costly interference with their property rights; now, therefore,

As recognized in this preamble, in many respects, CICs are like small local governments. They formulate and enforce neighborhood rules and regulations

and levy assessments and fines. Some manage common properties such as golf courses, pools, and open areas. There may even be the ability to take your home in certain circumstances. This authority, of course, is important to the function of the CIC. When governed effectively, CICs enhance the residents' quality of life and preserve both property values and the integrity of a neighborhood.

Assembly Bill 389 fundamentally recognizes that these entities function as a form of government, and it is now time to bring them under Nevada's Open Meeting Law. Under existing law, only rural agricultural residential CICs are subject to the Open Meeting Law under *Nevada Revised Statutes* (NRS) Chapter 241. Section 4 of A.B. 389 removes this limitation and brings all communities under NRS Chapter 241. Sections 5 through 8 remove provisions from NRS Chapter 116 that will now be covered under Open Meeting Law provisions.

Section 4 of the bill also requires the Commission for Common-Interest Communities and Condominium Hotels (CICCH) to investigate all violations.

Assembly Bill 389 also contains two other important provisions. First, under section 1, the bill amends NRS Chapter 241 to require that a public body allot an equal amount of time at a meeting for testimony in favor of and in opposition to an item on the agenda. While I think it is the intention of most people running a public meeting to provide equal time for support and opposition, time often runs out. Placing a requirement into law will ensure that those running the meeting plan ahead for everyone who has requested to testify, either in favor or in opposition, so each side has an equal opportunity to speak.

Finally, section 2 of this bill brings nonprofit corporations with the power of eminent domain under the requirements of the Open Meeting Law. The power of eminent domain is a power associated with the government, and a nonprofit with this authority should be subject to the same provisions regarding notice of meetings and transparency as a governmental entity.

Acting Chairman Carrillo:

Are there any questions? [There were none.] We will let Mr. Flint testify.

George Flint, representing Reno Wedding Chapel Alliance:

During the 26th Special Session, the Legislature changed an existing 40-year-old law related to the issuance of marriage licenses in Washoe and Clark Counties. It no longer demanded the Marriage License Bureau stay open daily, including holidays, from 8 a.m. until midnight and later if so deemed by a county commission. Clark County, which has always worked well with the

private wedding industry, has never attempted to deviate from those hours even though it was given that right under Assembly Bill No. 2 of the 26th Special Session. However, Washoe County, whose marriage license issuance has plummeted nearly 70 percent over the last 20 years, cannot afford to sell marriage licenses because it takes six people to sell a license. With the permission of A.B. No. 2 of the 26th Special Session, Washoe County made some drastic changes in the hours of marriage license issuance, including closing on Christmas and Thanksgiving. Also, the hours were shortened on the day after Thanksgiving.

Before the bill was passed, we sat down with the County Clerk and her deputies. We attempted to talk to our County Commissioner because he held title to the deviations of hours. We felt as if we were spinning our wheels because we did not receive much mercy and understanding. We are probably the only business in the state that is out of business when the Marriage License Bureau is closed. Las Vegas has a wonderful understanding of the tourist business, and that seems to be lacking in northern Nevada, and this is probably why Las Vegas will have 40 million tourists this year, while Washoe County will have fewer than 3 million.

Having said that, we were invited to appear before the Washoe County Board of Commissioners with our concerns and our position, and we appeared in good faith. We were told we would be on the agenda within the first two hours, and we waited around seven hours to get on the agenda. At that point, we saw a PowerPoint presentation by the County Clerk about the deviation of hours, which took 27 minutes. She made points we could live with and some we could not live with, and she also made points we felt were misinformation. I was chosen to be the first responder after the 27-minute presentation, and I asked how much time I had to respond to her points. He told me I had two minutes. I told the Chairman, Mr. Humke, there was no way for me to cover any response in two minutes. He said I was then down to a minute and ten seconds. My daughter testified after me and asked whether the wedding chapels represented there could give her their six minutes, and Chairman Humke said, "No."

I was blown away because I have sat before the Assembly Committee on Judiciary for 49 years, and I have never been treated that way. I have never had a chairman let one side talk for an unlimited amount of time and tell the other side he or she had two minutes. I told my colleagues and daughter that we would go to Carson City and see whether we could get a bill for equal treatment. I approached Assemblyman Ohrenschall and asked him whether he would sponsor such a bill; he agreed, and you have that bill in front of you. Section 1 says the proponents and opposition can, in fact, have equal time to

present their sides. As of yesterday, Constance Brooks from Clark County said this was unworkable. She presented some well-intended comments as to why this could lead to terribly long meetings that would not be practical. The language that Clark County has changed in a proposed amendment ([Exhibit C](#)) states, ". . . a public body shall make a reasonable effort to allow competing views to be expressed on any item on the agenda for a meeting of the public body on which the public body determines the public should be heard." It is a bit ambiguous, but it will at least give me the opportunity to go to the chairman to ask for equal time.

I think this is badly needed. This same thing happened to me in Sparks when I appeared before former Mayor Breslow. I was on the proponent's side on that particular issue, and when I went to the podium, Mayor Breslow told me I had to be finished in two minutes.

This is not about mowing lawns in a public park, turning lights on at dusk, or picking up refuse once or twice a week. This directly affects the life existence of an industry. The Las Vegas wedding industry is healthy today with nearly 100 wedding chapels. Reno has lost 21 chapels in the last 20 years, and is down to 5 chapels. We would like to survive, and this particular bill will give us a level playing field for future issues.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Margaret Flint, representing Reno Wedding Chapel Alliance:

My father has pretty much covered the entire scenario. There are a couple of points I would like to add. We received an email from the County Clerk's Office two weeks prior to this hearing, which did invite us to come and give input. It also asked us to submit in writing any of the ideas we had. It was accompanied with the proposed deviation of hours. There were at least two of us who did submit, in writing, concerns we had with the proposed hours. Some of these concerns were easy to address, such as dates that are commonly popular for weddings; for example, October 10, 2010 (10/10/10) or January 1, 2011 (01/01/11). January 1, 2011, fell on a Saturday and it was New Year's Day, and the Marriage License Bureau was going to be closed that day. We have had to go to the Commission a couple of times to ask for extended hours, and we have not been treated well.

It seemed like the hearing we were invited to was more of a budget hearing for the County Clerk and not the hearing we were under the impression it was in order to work together to find solutions. This was more like going into a courtroom and giving the prosecution all day to present a case, and the defense

gets two minutes. We had no rebuttal or input whatsoever. None of the proposals we submitted were taken into consideration. We appreciate Clark County's input on this, and we are willing to adopt its language in the proposed amendment. It is a step forward and opens the door.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Assemblyman Ohrenschall:

I do believe there are other witnesses wishing to testify in support of this bill both in Carson City and Las Vegas.

Acting Chairman Carrillo:

We will start down South.

Tim Stebbins, Private Citizen, Henderson, Nevada:

I am very much in favor of A.B. 389, especially page 4, section 4, lines 36 through 42, which requires the meetings of CICs to comply with NRS Chapter 241.

[Continued to read from prepared testimony ([Exhibit D](#)).]

Robert Robey, Private Citizen, Summerlin, Nevada:

I live in Sun City Summerlin, and my development is under NRS Chapter 81. We never switched over to anything else. On page 3, section 2, subsection 3, paragraph (c), it mentions Chapter 82 of NRS. I was hoping that could be changed. I am definitely in favor of this bill. Many years ago we asked that the Open Meeting Law be applied, and we were told it could not because it only applied to governmental agencies. I am tired of hearing that, and I would love to see the Open Meeting Law applied. One thing about mass meetings, we do not want to see meetings go on forever. Please put this into law. We who live in homeowners' associations (HOA) need this. The Office of the Attorney General produced a fantastic handbook that anybody can understand. It is extremely well-written, and no board can say it does not understand what it is supposed to do.

Gary Brodt, Private Citizen, Summerlin, Nevada:

I am a proponent of the Open Meeting Law. I have seen meetings abused by the failure of the constituents' ability to speak and express their opinions. I would like to see positive action taken on this bill.

Assemblyman Ohrenschall:

I believe there is a Mr. DeLee wishing to testify specifically to section 2 of the bill.

Michael DeLee, Private Citizen, Amargosa Valley, Nevada:

I wanted to follow up on Mr. Robey's comment about changing NRS Chapter 82 to NRS Chapter 81. I think it is important to retain NRS Chapter 82. I would have no objection to adding NRS Chapter 81, but it is clear we want to include Open Meeting Law for nonprofit corporations that have the power of eminent domain.

I urge this body to consider this a step forward in due process as it applies to HOAs, which have an increasing level of governmental authority and should be under the rubric of due process to an increasing extent.

You will note that a lot of language is taken out of sections 5 and 6, which would be duplicate to that of the Open Meeting Law. I have just received the comments from Gail Anderson, and I think it is important that you consider providing consistency in allowing the Office of the Attorney General (AG) to enforce this. I want to bring this to your attention because there is a backlog of the Commission's activities enforcing violations and investigating matters. I think the AG is better able to handle that. I am very much in favor of this bill.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Rana Goodman, Private Citizen, Henderson, Nevada:

I have no objection to a time limit because meetings can get very long if we allow people to go on and on. At city hall meetings, you are given a five-minute time limit, which is better than two minutes. In our association, agenda items are not written clearly, and until they get to the agenda, no one really knows what the issues are about. I believe it is important we get to comment on agenda items, and five minutes is a good time limit. We had a member who tried to comment on an agenda item at the end of the meeting, and by then the meeting had gone so long our board wanted to adjourn. It erupted into a hostile environment. I urge you to pass this bill because it is very important to comply with the Open Meeting Law.

Norman McCullough, Private Citizen, Henderson, Nevada:

I am highly in favor of A.B. 389. I know you will hear testimony today from past board members from where I live in Sun City Anthem in Henderson. They are probably in opposition to this bill because it restricts the ability to give us our freedoms. In the introduction of this bill, I heard a couple of words that

ring in my head. One of them was "governed effectively." Where I live, we have not been governed effectively. I also heard someone say we need to level the playing field. We do not have a level playing field in Sun City Anthem. This bill will go a long way to give the residents of our community a level playing field. I heard someone say that HOAs should be desirable places to live. That is correct. I also heard someone mention the *United States (U.S.) Constitution*. Sun City Anthem does not really care about the *U.S. Constitution* because my rights were violated. I am urging you to pass this bill.

Gary Seitz, Private Citizen, Las Vegas, Nevada:

I am in favor of this bill. I do not want to repeat everyone. On page 12, section 8, this bill talks about how books and records of the association are made available for review by the unit owner. I would like to see some kind of timeline, maybe 14 to 30 days, because right now the board will string your record review out for months and say it is still in compliance. This is a great bill.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Camille Brunetta, Private Citizen, Henderson, Nevada:

I am a resident of Sun City Anthem in Henderson. I am in support of both A.B. 389 and Assembly Bill 448. As residents, we are constantly being suppressed if we have a view different than the board of directors. Simply put, we are not allowed to express any kind of discord we might have, or even a change of opinion. I urge you to consider this kind of suppression we are under in Sun City Anthem.

Anthony Brunetta, Private Citizen, Henderson, Nevada:

I am in favor of this bill. I have experienced some very unfortunate situations. In one instance, an attempt was made to eject a member of my family because of her comments. The police were called in. This was completely unnecessary.

Acting Chairman Carrillo:

We will move back up to Carson City. Will those witnesses testifying in favor of this bill come up?

Jonathan Friedrich, Private Citizen, Las Vegas, Nevada:

I fully support this bill. It is time we have transparency as these are common-interest communities, and I am emphasizing the word "common," where the residents support and pay for the privilege of living in these associations.

I will say that you will hear complaints that the Open Meeting Law will create issues with people gathering, and this would violate the statutes in NRS Chapter 116. The AG has issued guidelines in the *Nevada Open Meeting Law Manual*, section 5.03 dealing with social gatherings. The manual says that:

Nothing in the Open Meeting Law purports to regulate or restrict the attendance of members of public bodies at purely social functions. A social function would only be reached under the law if it is scheduled or designed, at least in part, for the purpose of having a majority of the members of the public body deliberate toward a decision or take action on any manner over which the public body has supervision, control, jurisdiction, or advisory power.

It goes on, but I will spare you the reading of it. Section 5.04 states:

When the majority of the members of a public body attend a state or national seminar, conference, or convention to hear speakers on general subjects of interest to public officials or to participate in workshops with their counterparts from around the state or nation, it usually may be assumed they are there for the purpose of general education and social interaction and not to conduct meetings . . .

I fully support this bill, and it is time we have it. As far as the potential complaint that these meetings will go on forever, from my own experience, most of the 3,000 associations in this state have very few members attending the meetings. It is interesting to note that at Sun City Summerlin, where there are 7,781 homeowners, comments are allowed by homeowners as each item on the agenda is addressed before the association board members take a vote on it. It has never been a problem, and there is a five-minute time limit on comments, and it has worked out well.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Trevor Hayes, representing Nevada Press Association:

We are in support of A.B. 389. We strongly support any transparency in government, particularly because when a government has the responsibility to do the work of the people, it has an obligation to be transparent to those people. In this case, we are not talking about governments, but we are talking about outside entities that have been delegated government responsibility. We do not think these outside entities should be delegated the responsibility and

abdicated the obligation to be transparent to those they have the responsibility for. When a government delegates its authority, it should also delegate its obligation. We particularly support section 2, subsection 3, paragraph (c), regarding the nonprofits that have eminent domain. We also support section 4, subsection 2 regarding the CICs.

As you know, there has been a proliferation of CICs in southern Nevada over the last 20 or so years. Much of what these communities do is delegate responsibilities that would traditionally fall to a local government. I live in one of these CICs, and last August, we received a bill out of nowhere for \$700. No one knew it was coming, and the agenda did not foreshadow any such thing. I went to the following meeting to ask about it, and, there were no copies of records or of minutes of what happened at the previous meeting to share with us. These things happen often. The CICs actually have a greater ability to tax, if you call it a tax, than local governments do by raising fees or fines. In the CIC I live in, in addition to the \$700, they wanted to almost double our monthly fee. This was without properly notifying the residents to give them the opportunity to see the books and make their case for it.

In closing, I think anytime an outside entity is delegated government responsibility, it should be transparent.

Acting Chairman Carrillo:

Is there anyone else wishing to testify in favor of A.B. 289?

Assemblyman Ohrenschall:

I think that is everyone.

Acting Chairman Carrillo:

We will move to the opposition. Is there anyone opposed to A.B. 389 here or down South?

Barbara Holland, Private Citizen, Las Vegas, Nevada:

I am not opposed, per se, about the Open Meeting Law because I think it is important. If you have a three-member board, and you have two board members who want to walk with the landscaper, does that constitute a meeting? Right now the ombudsman's office has come up with a policy statement, which says if there are two board members walking with the landscaper that constitutes a board meeting.

Public government has a tremendous amount of paid staff members who take care of the day-to-day work. We do not have that with HOAs. As many of us know, we are lucky if we even have enough people wanting to run for the board

of directors. You have problems finding people who are not board members who participate in committees. In public, you have the Zoning Committee and many other commissions and departments so that by the time certain issues come to the commission, those issues have already gone through some sort of administrative process. We do not have this same kind of volunteerism or managerial-type relationship you have in government. What happens when short sales are done and people call asking whether the board can reduce fines or waive late fees, et cetera? We cannot just call for a meeting. Realistically, there would be emails sent explaining the situation, trying to help the homeowners sell their home.

I am not against the Open Meeting Law. I have sat here before testifying in the Senate, and the Senate Committee on Judiciary has not conducted a proper Open Meeting Law in terms of people in southern Nevada being able to speak. In terms of boundaries, the board, at the beginning of the year, can say management is going to take care of certain items. Public government has various paid staff and commissions so things can be filtered off, and is able to do the day-to-day review of items before it comes to a commission. That is the biggest difference as far as what happens to these HOAs. If we could get more volunteers, that would be wonderful.

To the gentleman who was just speaking, I manage an HOA with 791 units that I have been managing for about 30 years. It is a big turnout if three members show up to a meeting. The problem is that you do not have people participating in the way you think they would be. Many of us do send these agendas out in advance of a meeting, and I have never received a letter, email, or fax that objected to something on an agenda.

Because of the budget cuts, the main areas where many of us have been meeting are the libraries. Right now there are problems with that. Most associations meet after 5 p.m. because most of us work. There is a problem with time lines and trying to fit all items in at a meeting. Currently, we have a homeowner forum at the beginning of the meeting to address items on the agenda, and we have a second homeowner forum at the end of the meeting. If members did show up and had a five-minute limit per item, we would not be able to finish our agenda. Trying to find other places to meet with reasonable fees is an issue.

How do we find a balance between making sure people have the right to speak and also recognize there are daily functions that need to be done? I am not sure how you can find that balance. If we could find more volunteers, we would not have half the problems we have now.

Kay Dwyer, Private Citizen, Henderson, Nevada:

The Nevada HOAs are governed, controlled, and regulated at many levels. First, HOAs must comply with federal laws, the Internal Revenue Service (IRS), mortgage and lending laws, the Fair Housing Act, uniform CIC regulations, and probably many more I have not listed here. Second, at the state level, we must comply with NRS Chapters 116, 116A, and 116B, along with *Nevada Administrative Code* (NAC) Chapter 116, as well as other chapters of the NRS. In addition, we are subject to regulation of the Nevada Real Estate Division and the CICCH. Third, at the local level, we must comply with city ordinances, county ordinances, and regulations, depending on location of the HOA. Finally, we must follow our governing documents that must comply with changing mandatory statutes of the State Legislature every two years. Homeowners' associations already comply with open executive board meetings and homeowner meetings. These are highly regulated by law, statute, regulation, and so forth.

Please do not add another layer of government. Let us run our associations as the nonprofit corporations that they are and have been since the creation of the HOA. This is the case in all states, to the best of my knowledge. Attempts have been made to vacate HOA governing bodies, and these attempts have failed. We do not need more. Please stop the ever-increasing management-from-a-distance of our associations. The best government is the least government. Please defeat this bill.

Acting Chairman Carrillo:

Are there any questions? [There were none.] We are going to bring it back up to the North. Is there anyone neutral to the bill?

Constance J. Brooks, Senior Management Analyst, Clark County Manager's Office:

I am here to present an amendment ([Exhibit C](#)). We worked with the sponsor, and I met with Assemblyman Ohrenschall a couple of days ago to express our concerns with the bill. The following day I had the opportunity to meet with Mr. and Ms. Flint to discuss their issues with regard to the allotment of time provided to them in public hearings to state their opinions. As a result of our discussion, we have come together to propose an amendment you have before you.

The amendment is specifically for section 1. We would like to change the language to be written to require a public body to "make a reasonable effort to allow competing views to be expressed on any item on the agenda for a meeting of the public body on which the public body determines the public should be heard." We would like to acknowledge that there are issues where

the public can be passionate and would like to have the opportunity to speak. Our commission is committed to make certain everyone is heard. We have a three-minute time limit. I think we are extremely fair with allowing people to have the opportunity to speak.

Assemblyman Ohrenschall:

I want to thank you, Ms. Brooks, for working with the sponsors of the bill. I think I need to talk to you a little bit more about this amendment.

Constance Brooks:

I look forward to talking with you about it.

Acting Chairman Carrillo:

Are there any other questions? [There were none.]

Terri Barber, Chief Legislative Advocate, City of Henderson:

Currently, in the City of Henderson, we make every opportunity available for people to speak. We give both sides five minutes to speak. The discussion frequently goes on longer. We are here to support this bill with the proposed amendment.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

David Creekman, Chief Deputy District Attorney, Civil Division, Washoe County District Attorney:

I am here to concur with the proposed amendment put forth by Ms. Brooks on behalf of Clark County and local governments throughout the State of Nevada. Washoe County's only interest with respect to this bill is section 1.

Assemblyman Ohrenschall:

On the proposed amendment, if there were a period right after "public body shall make a reasonable effort to allow competing views to be expressed on any item on the agenda for a meeting of the public body..." and delete the rest of the words, is that something you might find acceptable?

David Creekman:

In every meeting of each of our public bodies, we have an open period for public comment. We also have agenda-specific public comment periods. Occasionally, even with nonpublic hearing items, where a public hearing is obligated by law, we offer the opportunity for agenda-specific public comments. However, there are some instances; for example, agenda consent items where no agenda-specific public comment is necessarily taken. They are relatively

routine items that the chair groups together and are heard as a bundle. I do not think your proposed deletion of the last five or six words is necessary. I believe it takes away an element of discretion from the county commission or the public body's chairman that is importantly maintained by that chair in terms of orderly conduct of the meeting and getting through a massive amount of business that impacts the public. If interested, the general public comment period is open to anyone to comment on these items. I do not believe the deletion of those last few words is helpful.

Assemblyman Ohrenschall:

I thank you for explaining that to me. I had some concerns, but I think you cleared them up.

Acting Chairman Carrillo:

Are there any other questions? [There were none.] Does anyone else wish to speak neutral?

Deonne E. Contine, Deputy Attorney General, Division of Business and Licensing, Office of the Attorney General:

I want to make a few points on the bill. There was initially some confusion with respect to section 4, subsection 2, which requires the Commission to investigate the violations of NRS Chapter 241. That responsibility specifically lies with the AG pursuant to NRS 241.040, section 4. After meeting with the bill sponsor earlier this week, we have submitted a fiscal note. Our office is going to submit an amended fiscal note to take into consideration the 3,000 HOAs in the State of Nevada, and the impact that will have on our Open Meeting Law division. The fiscal note should be coming in the next couple of days.

Joyce Haldeman, Associate Superintendent, Clark County School District:

With the amendment that has been proposed by Clark County, we are supportive of this bill. We too had some concerns about the original language. The board of trustees takes public input very seriously. In fact, many times the bulk of the meeting is spent listening to people who come to talk about various issues. There are many opportunities to speak and, many times, a single speaker speaks several times during the evening on several different agenda items.

David Bowers, City Engineer, Department of Public Works, City of Las Vegas:

Originally, we were in opposition to this bill, but we are now neutral with the Clark County amendment. Our biggest concern was the fact that oftentimes there are complicated issues brought in front of our council that may take as long as an hour to properly produce the materials necessary to verify the case.

To force us to give the opposition an hour may not always be appropriate. There are cases where people would like get in front of the council in situations like this who would not have the ability to do so for purposes of their own desire.

James T. Endres, Executive Director, Government Affairs Group, McDonald Carano Wilson, LLP:

We were in opposition to the bill as it was drafted. This morning we reviewed the proposed amendment by Clark County, and we do support this amendment. I listened to the comments from Washoe County this morning, and we also support their views in respect to further amending this amendment by placing a period after the first expression of "public body."

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Assemblyman Ohrenschall:

I am trying to get my hands around the verbiage, and I still have a few concerns. I hope we can all work together to come up with some solutions.

Garrett Gordon, representing Southern Highlands Community Association:

They have approximately 7,000 units in Las Vegas. We are respectfully opposed but look forward to working with the sponsor over the course of the next few weeks to try to come up with a compromise. Pulling in CICs under NRS Chapter 241 is good and bad. I think there are some positive things in the Open Meeting Law that could possibly be incorporated into current Chapter 116 of NRS. I would note some sections that are being struck have more protections for HOAs rather than just referring to NRS Chapter 241. I would also note that looking through Chapter 241 as it could apply to associations, a written notice of all meetings would be given within three working days. Currently, under Chapter 116, a notice for meetings has to go no later than 15 days. We would submit that many associations would fall back on business days, which may put some unit owners at a disadvantage of what may be occurring at a future meeting.

Next, the minimum public notice under the Open Meeting Law refers to an official posting at the principal office of the public body. If an association has a public body, I am sure it would fall back on posting this at its offices or maybe do a mailing as required under current NRS Chapter 116.

As I continue to go through the Open Meeting Law, there is also the requirement that a public body provide, at no charge, at least one copy of the agenda. A notice is currently sent, at no charge, to all HOA unit owners.

The materials could be sent for free through an electronic medium. There is a cost for hard copy supporting material. As you can imagine in Southern Highlands with over 7,000 homeowners, that can get voluminous and expensive if you have to send out or provide all of the supporting materials of every meeting to every unit owner.

I would also like to mention the Open Meeting Law section that talks about character, misconduct, or competence of an elected member of a public body, which says, "A public body shall not hold a closed meeting to consider the character, alleged misconduct or professional competence of . . ." members of a public body, such as the board. Currently under Chapter 116, this is handled in closed session, not only for board members but for unit owners as well. In NRS 116.31175, it prohibits an HOA or association from disclosing private information about unit owners. If there cannot be the opportunity for a closed meeting under certain circumstances, we think that could pose a problem and go awry with current protections in NRS Chapter 116.

Finally, I will end with one of the last revisions in the Open Meeting Law. It talks about violations and a possible guilty verdict of misdemeanors. This could "chill" good folks who are all volunteers running for HOA boards. It is tough enough to get good folks to run for these boards, and if you throw the possibility of being guilty of misdemeanors for some violations, you might have these folks decline to run.

I look forward to working with the Chairman over the next couple of weeks to pull in some of the protections of Open Meeting Law provisions into NRS Chapter 116, but keep some others that are more protective.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Marilyn Brainard, Private Citizen, Sparks, Nevada:

With all due respect, I must beg to differ on the definition of a CIC as a governmental entity. Legally, we are nonprofit corporations, and for that reason I think the drafters of NRS 116.31075 were correct in saying that only applies to an agricultural rural residential CIC and not to all other CICs. I think that was carefully worded, and I think it is still appropriate today. I am not in favor of applying the Open Meeting Law to our CICs that are residential in nature.

One of the primary obligations of a governing body is to discuss topics of interest to others, especially to the unit owners. In the case of a Nevada CIC board, it is already required to meet privately for only a very limited number of purposes in NRS 116.31085.

[Continued to read from prepared comments ([Exhibit E](#)).]

Ms. Holland alluded to "one-size-not-fitting-all" when you are talking about CICs. These communities go from very small to very large, and when you try to draft laws that try to fit everyone, problems arise. I urge you to reconsider this, and I do not think residential CICs should come under the Open Meeting Law.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Is there anyone else in opposition to A.B. 389? [There was no one.]

Assemblyman Ohrenschall:

I think some important comments were made today. Common-interest communities are great and have helped property values. In many ways, the board of directors is the initial level of government a person sees, has the power to impose fees that can sometimes be more onerous than taxes the state and local governments can impose. It has the power to take away your home. That is why I believe the Open Meeting Law is applicable to CICs. I hope we can all work together to come up with a solution.

Acting Chairman Carrillo:

We will close the hearing on A.B. 389.

[Chairman Ohrenschall reassumed the chair.]

[All exhibits on the Nevada Electronic Legislative Information System (NELIS) are entered in the record, including [Exhibit F](#).]

Chairman Ohrenschall:

We will take a five-minute recess so Assemblyman Munford can come here.

Recessed and reconvened [at 9:10 a.m.].

We will bring the CIC Subcommittee back to order and open the hearing on Assembly Bill 448.

Assembly Bill 448: Revises provisions relating to real property. (BDR 10-513)

Assemblyman Harvey J. Munford, Clark County Assembly District No. 6:

I am pleased to bring A.B. 448 before you today. There are nearly 3,000 homeowners' associations (HOA) in Nevada, and most of them are located in the southern part of the state.

This is my fourth term in the Assembly, and during that period, I have been contacted by many of my constituents who live in HOAs. There have been a number of complaints of abuse that have been brought to my attention and have escalated to the point that I feel strong action needs to be taken. There are many differing issues that have come to light with all of these complaints. This past summer, I became personally involved when a family member had her car illegally towed from a home within an HOA. The association and management company would not take responsibility for the illegal act. It cost my family member over \$200 to retrieve her car.

I constantly receive calls from my constituents about excessive fines for retaliatory actions by the boards of different HOAs. The ongoing Federal Bureau of Investigation (FBI) probe into HOA corruption in Las Vegas can only embarrass our state, frighten potential buyers, and lower home values. The recent real estate listings I have seen indicate "no HOA" as a selling point. Something must be done to stop the abuses and cure the problems that are growing in these associations.

A number of years ago, this Legislature enacted *Nevada Revised Statutes* (NRS) Chapter 116 to deal with these associations. This statute has become more and more complex since its inception. It appears that as the statute changes every two years, the rights of the homeowners diminish and the powers of the boards increase. Assembly Bill 448 has been written in an attempt to give rights back to the people of these communities. We must provide a pathway of fairness and transparency to all. The bill covers issues from "A-to-Z." These changes to NRS Chapter 116 have been drafted based upon many serious issues facing homeowners in our state. The changes are derived from a database of abuses that have come to the surface. Each of you received a binder ([Exhibit G](#)) from Mr. Friedrich with examples of some of the problems.

I have been working with Mr. Friedrich, a resident in my district, and Mr. Robey who lives in Clark County Assembly District No. 2. Some of the problems have been brought to our attention through television investigative reports, newspaper articles, emails, and private conversations. There are nearly one million Nevadans living in HOAs, and these problems need to be corrected. I hope this legislation will go a long way to solve many of these abuses.

Some HOAs are large, while others are small, and HOAs are almost everywhere. In many communities today, especially in southern Nevada, it is nearly impossible to purchase a relatively new home that is not part of an HOA. Homeowners' associations are big businesses, though sometimes I wonder whether it is a business or a form of government. Should it act like a government?

These associations have spawned an entire industry of managers, attorneys, accountants, contractors, and vendors to serve, or exploit, the homeowners. Complaints about HOAs are not new. We have learned that when enough money is at stake, many people forget their responsibilities and abandon their ethical standards. We have learned that board members range from concerned, capable, and tactful leaders to outright bullies. This Committee has heard plenty of testimony about executive board members, managers, and attorneys who have run all over homeowners. Homeowners are kept in the dark about important decisions and fail to educate themselves sufficiently or consult qualified experts. There are also attempts to circumvent the laws and governing documents. This threatens homeowners' rights to live safely and at peace in their homes. I will not take up the Subcommittee's time by citing examples of incompetence, unpleasantness, and abusive power that characterizes some of these HOAs. You have probably received emails and phone calls yourselves concerning this subject.

Sitting next to me is Jonathan Friedrich, who is a strong advocate for the rights of homeowners. He has been committed and involved in trying to bring these issues to light. I will let him speak.

Jonathan Friedrich, Private Citizen, Las Vegas, Nevada:

I moved to Las Vegas to live a quiet, simple, and inexpensive retirement. It has been anything but that. I moved into a common-interest community (CIC) in 2003. A number of events have transpired over that time that led me into the situation where I have become a nonpaid homeowners' advocate. I pay my own expenses, and this is the third time this session I have driven to Carson City to speak on behalf of bills that would protect homeowners.

The binder Assemblyman Munford referred to ([Exhibit G](#)) contains the basis for many of the changes in A.B. 448. For those of you who have not been in Las Vegas this week, I want to show you some billboards, which were paid for by one very upset homeowner named Dr. Gary Solomon. [Showed pictures from binder.] What does this say for HOAs? It does not speak well, and it will scare people away from buying in an HOA, and further, it will lower property values. There are items in the binder dealing with the "arbitration trap" with collection fees and many other abuses. Hopefully, you will get an opportunity

to peruse through it to understand why these changes are being contemplated in this bill.

I can go through this bill section-by-section and try to explain it. I wanted to show you a book of complaints I have received from homeowners who have either contacted me directly or through Darcy Spears, who is an investigative reporter with Channel 13 News. She has done a series of investigative reports on HOA abuses. They are horrendous. Included is a complaint from one of Assemblyman Munford's constituents. She painted her driveway, and the paint did not exactly match the previous color of gray, and she was fined \$3,100. Another woman had her waterline cut because she was not current in her payment plan.

I would like to note that Mr. Robey, down in Las Vegas, worked with Assemblyman Munford and myself on this bill, and we spent months going over it. We will be "tag-teaming" this presentation.

In A.B. 448 on Page 5, section 1, it deals with allowing the administrator of the Nevada Real Estate Division to get involved in a hot issue right away. There was a situation in Pahrump in a small 45-unit association where the board illegally imposed a \$2,900 special assessment on the homeowners. A number of the board members then resigned leaving just one board member left. Robert Robey and I have submitted a proposed amendment ([Exhibit H](#)). The words "may" and "does not" are used very often, so I am proposing some verbiage be changed.

Going to page 6, lines 11 through 14, I call this the "Smiley" portion. This was a complaint by a homeowner whose last name is Smiley. His son, who lives with the homeowner, was prohibited from entering the association until the gate attendant called the parents, no matter what time of night it was. If you drop down to lines 34 through 36, the Siena HOA charges a sliding scale fee for any change to the exterior of a home, starting at \$25 and working up. The Architectural Review Committee (ARC) is made up of volunteers. Its response to this fee scale was that something needed to be charged. It is unfair. It is interesting to note that there was a bill in the Senate that dealt with trash cans and putting a screen in front of them, which would have required a change to the exterior appearance of the home. For those living in the Siena Community Association, a fee would have been charged for complying with that bill. I call lines 37 through 39 the "Hubert issue." This gentleman lives in a community and had an antenna attached to a rooftop air-conditioning unit on his property. The HOA tried to fine him saying it does not allow an antenna to be attached to the common element. It was his property, and he had to go to the Federal Communications Commission in

Washington, D.C., and he was issued a letter telling him the rule applies to restrictions on property with an exclusive use or control of the antenna under which the antenna-user has a direct or indirect ownership or leasehold interest in the property. The letter went on to say that no fines, fees, or other penalties may accrue during this period. It cites the federal statute. That association was the La Cuesta HOA, and he won that battle.

Chairman Ohrenschall:

Is that federal statute for any antenna, or is it for amateur radio?

Jonathan Friedrich:

It is for anything. I can get you a copy of the federal statute after this hearing.

On page 8, line 26, paragraph (k), we have made an amendment dealing with collection costs. We would like the verbiage to include "the cost of a lien." It would read, "Impose the cost of a lien for late payment of assessments pursuant to NRS 116.3115." This is an important change.

I am going to let Mr. Robey talk about page 9. There are some issues there. You have to understand that Mr. Robey does have a handicap and is in a wheelchair.

Robert Robey, Private Citizen, Summerlin, Nevada:

I will be addressing page 9, section 3, subsection 1, paragraph (s), lines 15 and 16.

Chairman Ohrenschall:

Could you give me that page number again please?

Robert Robey:

Page 9.

I need to apologize for what is on the Nevada Electronic Legislative Information System (NELIS). I really messed that up horribly. I hope you are looking at the paper I sent up this morning instead. I stayed up late fixing it.

On page 9, lines 15 and 16 indicate that the association has the right to remove a car parking space designated for a handicapped person. I have written on my paper that this raises the issue of an HOA ignoring state laws. The state law is clear in NRS 484B.467 when it says you cannot tow a car that is properly designated as a handicapped person's car, and there is a good reason for it. I will let you imagine what it would be like to be on crutches when you have one leg, and your car is gone, and you are left there wondering how you are

supposed to get home. It is imperative that NRS does not allow the towing of a car parked in a handicapped zone, and it is in NRS Chapter 116. I pity anyone who is handicapped and has this done to them.

Jonathan Friedrich:

Page 11 deals with when there is only one board member left, as in the case of the Pahrump association. I accompanied one of the homeowners who was hit with this \$2,900 special assessment, which was done illegally, to the ombudsman's office. We met with Mr. Dave Garrick. Mr. Garrick said the remaining board member had the right to appoint additional board members. Yes, it does say that in NRS Chapter 116. When you look at NRS Chapters 81 and 82, which are the nonprofit corporation statutes, those say a board is composed of three members. The board did not have three members. Now you are caught in somewhat of a vortex. The items on page 11 deal with an emergency election to be done within 30 days, and it outlines the procedure. That would then resolve that problem until the next scheduled election.

Chairman Ohrenschall:

In the example you mentioned about the board that just had one member, how long was that one member conducting all of the board's affairs?

Jonathan Friedrich:

I am not sure, but I would say somewhere between one and six weeks.

Chairman Ohrenschall:

How large was the association?

Jonathan Friedrich:

It is 45 units, and it is in Pahrump. I believe it is the Mt. Charleston Golf Estates HOA.

Chairman Ohrenschall:

Were they just going to wait until the next regular election? What was their reason for waiting?

Jonathan Friedrich:

The president then appointed two other members so there was a quorum of three.

Moving on, page 12 deals with the election process. It is quite lengthy and complicated, but at least it gives a basis for an emergency election. You also have to realize the association must pay its expenses.

Page 13, lines 38 through 42, deals with construction penalties, and they can be very severe as currently delineated in NRS Chapter 116. Considering the economic times we are in, if someone is getting ready to start construction or is in construction and his financing evaporates, he cannot finish the project within the scheduled time allotment, and the fines can mount up horrendously. This item would deal with that. We are asking for kinder and gentler treatment of people who may be caught up in the financial downturn of the economy.

Chairman Ohrenschall:

Can you give me an example of what is occurring now and what this is attempting to remedy?

Jonathan Friedrich:

This says the association may not impose a construction penalty if the homeowner fails to maintain the construction schedule. Many associations will say you have anywhere between 12 and 24 months to complete the project.

Chairman Ohrenschall:

Let us say I lived in an association and got approval to build a deck and the financing fell through, would that be an example?

Jonathan Friedrich:

The worst case scenario is when you are building a home or putting an addition on. I do not think a deck would require a lot of financing, but if you have something worth a \$4,000 to \$6,000 construction loan and the bank goes belly up, that would be a terrible situation.

Assemblyman McArthur:

I understand the intent of this paragraph. The only problem I have is the part that says "beyond the control." It seems to be overly broad. Maybe we could work on that a little bit.

Jonathan Friedrich:

"Beyond the control" meant a financial institution. We did not want to get that specific because I know you folks like to work in generalities.

Assemblyman McArthur:

I was hoping you could come up with better language.

Jonathan Friedrich:

I will work on it.

Page 14, lines 10 through 15, comes from a case where a homeowner was adversely affected by an HOA when he was brought through a kangaroo court and found guilty of a "crime" and barred from using the common facilities, even though the "crime" had nothing to do with the facilities, and he continued to pay his monthly assessments. If the "crime" has nothing to do with the use of the common facilities, he is being denied something he is paying for.

Chairman Ohrenschall:

On page 14, section 6, line 42 . . .

Jonathan Friedrich:

I am going to go over that now. In the binder, you will see copies of horrendous fines for petty offenses. As I alluded to before, the poor lady in North Las Vegas whose paint color did not match the exact shade previously painted was fined \$3,500. There was a case in Siena where a homeowner was fined \$11,200 because the homeowner had "debris," which translates into leaves on the gravel, and there was a stain on the stucco in the rear of the house, and the light fixtures were changed on either side of the garage door. These fines are outrageous. This would put a cap on fines. It is enough to sting but not enough to break the back of somebody. The lifetime cap would not be more than \$2,500. It is interesting to note that in NRS Chapter 116, a number the HOA cannot exceed is given, for example, "may not exceed \$100." All of a sudden, that not-to-exceed number becomes the number. All associations are now required under the statute to provide a fine schedule on a yearly basis to the homeowners. I have not seen any fee schedules under \$100 from those I have looked at.

Chairman Ohrenschall:

I understand what you are trying to remedy with this section, but let us say I live in your association, and I violate some of the rules and paint my house with purple polka dots, and my heavy metal band practices in the garage at 3 a.m. every morning. I am fined \$2,500, and a week after that I add some more purple polka dots, and my heavy metal band starts practicing for an extra three hours during the night. Will the association not be able to do anything else?

Jonathan Friedrich:

To address the heavy metal band, in the City of Las Vegas, there is code enforcement, which is a municipality. The code enforcement could be called in and would take care of the noise abatement. As far as the purple polka dots, if the fine was reduced to \$50 for the occurrence, that could build up to the \$2,500. Who would want to repeat a first offense, unless you are really vindictive?

Chairman Ohrenschall:

The only concern for me is if I received a \$2,500 fine for the infraction, what else could the association do to me? What would keep me from repeating or committing new infractions?

Jonathan Friedrich:

It would not be a \$2,500 onetime fee. It would be reduced to maybe a \$100 fee for painting purple polka dots, and if you repeated it, it would be another \$100 fee, with a total lifetime cap on the homeowner of \$2,500, which is a nasty bite, but it is not enough to break someone financially.

Moving on to page 15, there are many associations that have both a "sub" and master association. There is a lady by the name of Lillian Bossart who was fined by both her subassociation, Interlude, and the master association, Southern Highlands. She is 78 years old and still has to work to support herself and was working out of state for a number of months. She paid somebody to maintain her lawn, but a section of the lawn died. She wound up being fined by both the sub association and master association for identical violations for dead grass, and the fines amounted to over \$6,000. That is expensive grass. Page 15, lines 4 through 10, would stop both associations from fining the homeowner for the same violation.

If you move down page 15, lines 20 through 25, that is more of a housekeeping item.

Page 15, lines 43 through 45, and going onto page 16, lines 1 through 9, came to light because there was one individual who had a double radical mastectomy and was suffering from the major surgery. She was called to a hearing by her board but could not attend for obvious reasons. She was severely fined. This section would put a stop to that and postpone the hearing.

Page 16, lines 40 through 45, deals with fining. It would stop fining an individual if an arbitration or complaint is filed with Nevada Real Estate Division until the complaint is resolved. It puts the brakes on the \$100-a-week fines. In the binder, there is a series of examples of different fines for different issues. Some of these fines are \$100 a week. You will hear from Ms. Vescio later on because she was being fined \$100 a week for something she was absolutely not guilty of. Page 17, lines 1 through 11, continues that dialogue.

Part of page 18, lines 4 through 9, was passed last session, which allowed the board to clean up the exterior of a home that was in foreclosure or abandoned. I was told by one community manager that if someone goes to clean a home up once, there is a whole process to go through before beginning the cleaning,

and if the cleaning needs to be repeated to abate the problem, the entire process must be gone through again. This would allow the management company or association to do a onetime authorization so it could continue to cut the grass or shovel the snow.

Page 19, lines 38 through 45, and continuing onto page 20, lines 1 and 2, deals with collection agency charges. There is a schedule, and it is somewhat different from what had been in the pre-2009 statute. When the schedule of fees was removed, it allowed the collection agencies to go wild. There are several other bills dealing with fees. Chairman Ohrenschall has one, Senator Halseth has one that was heard this morning, Senate Bill 195, and Senator Copening has one as well. There are many differing thoughts on what these fees could be. In these hard financial times, if you have a homeowner, through no fault of his own, fall behind in his assessments, he is being bombarded by collection agency fees up to \$6,000.

Chairman Ohrenschall:

Could you give us an example?

Jonathan Friedrich:

[Cited an example from the binder ([Exhibit G](#)).] Collection Companies of America, in May 2010, they owed . . .

Chairman Ohrenschall:

Who is "they?"

Jonathan Friedrich:

The homeowner.

Chairman Ohrenschall:

How far behind was the homeowner on his HOA dues?

Jonathan Friedrich:

\$603.

Chairman Ohrenschall:

Do you know how many months that represents?

Jonathan Friedrich:

No. It says HOA assessments through April 2010. The homeowner was delinquent \$603, but collection fees were \$2,535 and attorneys' fees were \$1,000, while transfer fees were \$300. Dues for May were \$64.50. The total amount came to \$4,527.50.

Chairman Ohrenschall:

That is based on an original \$603 debt?

Jonathan Friedrich:

Yes. There is another example from Hampton & Hampton Management, which was dated August 15, 2010.

Chairman Ohrenschall:

One example will suffice because we have a lot of testimony left.

Jonathan Friedrich:

I want to make this point. The homeowners owed \$150 every six months, and they were both unemployed. They were three semi-annual assessments behind, which totaled \$450. The collection fee, including that \$450, was \$2,112. The woman has since died and left her husband and young children behind. This has got to stop. Section 8 in this bill would put reasonable fees in place.

Moving onto page 20, section 9, this is what I call the "Bitsky" section. I do not know how many of you saw the series of investigative reports on Channel 13 by Darcy Spears on Joe Bitsky. He held an iron hand over his association. The board was composed of three individuals: he, his wife, and one other friend. He would not allow anybody to run for the board. At one point in time, it is alleged he detained a number of homeowners because they were recording the meeting. We have heard his outburst on tape through Darcy Spears when she broadcast the report. He has since been cited by the North Las Vegas police, and there will be a pretrial arraignment on April 26 in the municipal court in North Las Vegas. He has been charged with two counts of coercion.

Chairman Ohrenschall:

You brought up earlier that there must be a minimum of three members on every board. Could there be an association so small that by precluding two persons who are related there would not be enough people to be on the board?

Jonathan Friedrich:

If I am correct, in NRS Chapter 116, it states that a board that manages fewer than 12 homes does not have to be an association.

Moving along to page 24, lines 40 through 45, and continuing onto page 25, this is a very important section dealing with education. Chapter 116 of NRS is a cumbersome, complicated document. It is written by attorneys for homeowners and management companies, and it is hard to interpret. Many HOA board members do not have a clue what is going on. They do not

know what their covenants, conditions, and restrictions (CC&Rs) say and do not know what NRS Chapter 116 says. If you are willing to serve on a board, you need to be educated. This bill lays out a minimal requirement of two hours a year. It is also noteworthy to say that the ombudsman's office in Las Vegas has an education division, which is run by Nicholas Haley, and he does a very good job. It offers free seminars around the state. I have gone to many of its seminars, and they are informative and factual. If you want to serve on the board, you need to know what you are doing. I do not think two hours a year is too much to ask.

We are going to be offering an amendment on page 25, line 1. It would state, "Hours of instruction from the ombudsman's office." Also, if you go back to page 24, line 42, the first word says "successfully." That implies there would have to be an examination, so we request the word "successfully" be removed. The requirement is just to complete two hours of instruction.

Page 25, line 38 is a housekeeping and clarification issue that would add the words "to the units' owners" in the first sentence.

Page 28, lines 20 through 23, state, ". . . a unit's owner may request items to be placed on the agenda and any requested items must be included on the agenda." In many instances, people will request items to be put on the agenda, and the board will ignore that request.

Page 28, line 31 would allow a guest of the homeowner to be allowed at any meeting.

Chairman Ohrenschall:

On page 28, lines 20 through 23, is there a danger that perhaps someone would try to fill up the agenda to slow things down if there is a dispute in the association?

Jonathan Friedrich:

With the few number of people who speak up, I find that highly unlikely. If there is an issue, under the Open Meeting Law, you would want them to air it.

Chairman Ohrenschall:

Right now, if I want something put on the agenda in my association, is it optional?

Jonathan Friedrich:

You can request it, and it is my understanding the board can ignore the request.

Robert Robey:

This refers to the units' owners meeting where this is being put in. The units' owners have an annual meeting. The units' owners have a right to put items on that agenda. This is not dealing with executive board meetings.

Chairman Ohrenschall:

Thank you for clarifying that, Mr. Robey.

Jonathan Friedrich:

I am sorry I omitted that.

Moving onto page 29, lines 17 and 18, current statute allows audio recording. We are asking video recording also be allowed, and that would be at the expense of the person requesting it. It would not put a burden on the association.

Chairman Ohrenschall:

Could you discuss page 28, lines 31 and 32, a little more?

Jonathan Friedrich:

Sure. There are a number of times the homeowner may feel he or she was wronged. He or she may want his or her attorney present at any meeting, and currently the statute is silent on this issue. The homeowner may even want the press there. I can think of an example from February of this year in Sun City Summerlin. There was a hotly contested issue about hiring a new executive director, and the press did cover that. The board did not object, but there are other times when a board would have objected.

In the last legislative session, a request was made that at least two board meetings a year be held after business hours. The state defines business hours as 8 a.m. to 5 p.m. In order to comply, one of the associations had a meeting that started at 5 p.m. If someone is working on the east side of the valley in Las Vegas, and the homeowners meeting is on the west side, how is that same someone going to get there by 5 p.m.? Those two meetings should not start before 6 p.m. because it allows a homeowner who wants to attend the meeting, but works until 5 p.m., to be able to participate. We are talking about transparency, and these are CICs where residents pay for that right. The residents should be afforded the right to speak.

Page 30, lines 21 and 22 deals with the agenda. The agenda must not be posted later than five days before the meeting. This gives the homeowners more time to digest it, and if there is an issue they want to speak on, they have time to research the topic.

Moving along to page 31, lines 17 through 21, if you attend a meeting, you should be provided a copy of the documents at no charge. If it is available in electronic format, it should be emailed at no charge. I have heard of one management company wanting to charge \$25 for a CD.

There is a typo on page 32, line 11. It is currently worded ". . . but any limitation on the page number of such materials, remarks, or information must not be less than two double-sided pages." This should read "must not be more than." This limits the number of pages.

Chairman Ohrenschall:

Thank you for pointing out that error.

Assemblyman Carrillo:

Going back to page 31, lines 17 through 21, you mentioned there should be no charge for the unit owner to get a copy of this. If you have 7,000 homeowners who request electronic copies, what would it cost for an HOA to provide that information? I do not think you can find anybody, whether private or public, who can do that for free. There is still a labor cost involved by taking someone away from other work.

Robert Robey:

I live in an association of 7,000 people, and we do have an electronic system. I can go online and download the minutes and agenda. I can distribute it to my friends and neighbors. We do not necessarily need to bother the management company or association. Sun City Summerlin is self-managed. Most people do not look at what is going on, but if you wanted a copy of the minutes, they should be in the newsletter that goes out. I have not seen a problem, and I did serve on my board twice.

Jonathan Friedrich:

To further address that issue, many large associations use electronic systems, and most, if not all, associations have a website. It would be easy to ascertain that information from their websites. Folks living in these CICs are entitled to this information. They are paying to live in that community and should know what is going on.

Chairman Ohrenschall:

Are you contemplating that a CIC with 7,000 homeowners would provide a disk to all 7,000 or only at request?

Jonathan Friedrich:

Only at request.

Chairman Ohrenschall:

Do you think there would be a large number of requests?

Jonathan Friedrich:

No. We also have to realize that these large associations are mostly made up of retirees. Many of these retirees are not computer literate, and they may not even have computers. Many do not participate, which is another issue itself.

Assemblyman Carrillo:

If the homeowners do not have a computer but are able to receive a copy from a friend, as Mr. Robey suggested, there is still a cost out of pocket. Even if 100 people requested copies from the HOA, you are looking at the burden of cost for the paper. It has to come from somewhere. Putting the burden on the HOA for the purpose of the 100 unit owners who want a hard copy, if a mailing is done, there is also a cost for postage. It is not always feasible to drop copies off to individual units.

Jonathan Friedrich:

The statute says "present at the meeting." If the homeowner shows up and takes the time and effort to come to the meeting, he or she can have the document in his or her hands when the board is referring to it.

Assemblyman Carrillo:

I know there are times when 3 homeowners show up to a meeting and other times when 300 show up. It depends on what is on the agenda. Does that mean 300 copies will be made?

Jonathan Friedrich:

There could be a minimum charge of ten cents a copy.

Assemblyman Carrillo:

I think that is a workable solution.

Chairman Ohrenschall:

If you have a meeting and think maybe 20 people will show, but 30 show up, you could burn disks at the meeting.

Jonathan Friedrich:

We will move on to section 13. This would make it clear that somebody with a disability must be accommodated. I speak from personal experience because I have a hearing loss. I had to go to the U.S. Department of Housing and Urban Development (HUD) to get that agency to threaten a federal lawsuit against my board to require an amplification system at a board meeting. I have

a very unique hearing problem. I can hear everything, but if it is not amplified enough, it gets garbled, and I cannot comprehend what is being said, even though I am hearing it. It cost my association a lot of money in legal fees to fight with the feds, and when the feds threatened a lawsuit, the association figured it would be cheaper to supply a microphone than go to court.

Robert Robey:

I will speak to page 32, section 2, lines 44 and 45, and continuing onto the next page. In Sun City Summerlin, we do allow comments during the meeting, after the board has listened and discussed with each other. We had over 125 people at a meeting over a very contentious item, and the president of the board said there would be no time limit and everyone had the right to speak. It lasted just over 30 minutes and the board voted. I think most people left more satisfied than if it had been rammed down their throats. I noticed on television that Mayor Oscar Goodman would ask whether there was anyone wishing to comment, and one gentleman commented on everything the city council was going to do. Please let the homeowners speak.

Chairman Ohrenschall:

I do want to remind you that we need to be at the floor session at 11 a.m. I appreciate your going through the bill, but please go as fast as you can because there are many people who want to testify.

Jonathan Friedrich:

I will try to speed it up.

We could put a time limit on those wishing to speak. It could be three to five minutes.

We will move to page 33, lines 37 and 38. This could mean a non-attorney to speak on behalf of somebody. For instance, if a homeowner had a language barrier, his non-attorney, friend, or relative could speak on his behalf.

On to page 34, section 14, line 22. We are asking the words "durable goods" be included when bids are received.

Now on to page 34, lines 42 through 44, and continuing on to page 35, during last session, it was enacted that you could put a complaint on the agenda. Now, the board does not want to hear the complaint. The complaint is read and the board moves on with no discussion. This would put a stop to that, and it would also require a decision of the board with respect to the complaint.

Assemblyman Carrillo:

If there is a complaint brought up and it is not heard, if you are on an HOA board and someone does have an issue, it will be brought up at the end of the meeting, and the board cannot act on it then. The homeowner should follow up, but he or she usually does not. When there is an instance where everyone is there wanting to vent and the board has to hear every vent, my problem with that is the time frame. If everybody has a complaint, and everyone is heard at one time, the meeting could easily go on until midnight. In my HOA, we have meetings every month because there are so many agenda items. If you have an agenda and veer from that, you will be there all night.

Jonathan Friedrich:

I think you misinterpreted it. First of all, there would be a three- to five-minute limit on the complaint by the homeowner. This statute would say that the board must discuss it.

Robert Robey:

There are other people here who want to speak, so I am going to hurry this up. Mr. Carrillo, you make an excellent point. This is not well written. It would have to be a formal complaint that would be filed with the division, and that is what would be delivered to the board. It is based upon a formal complaint going to Nevada Real Estate Division. At that point, we ask the board to respond. If it does not, the complaint goes to Nevada Real Estate Division, and it speeds up the process a bit. There are many people who have filed Nevada Real Estate Division interventions that have been sitting around for three years waiting for a decision.

Jonathan Friedrich:

We will move to page 35, lines 31 through 43. We are asking those lines be completely deleted. It deals with surplus funds, and the statute already talks about it. There is a large issue in Sun City Anthem where the association had built up a surplus fund of over \$3 million, and it was not given back to the homeowners. A complaint was filed with the Internal Revenue Service (IRS), and the IRS came in and performed an audit in 2007. The association was hit for \$1,345,000 in back taxes, penalties, and interest. The statute is clear, but the reason we put that in initially was as a cushion in these hard economic times. Having this in the statute can violate the statute's current requirements and IRS requirements.

On page 36, lines 32 through 36 deal with a homeowner who asks for a copy of an audit. It would be given to the homeowner either in paper or electronic format at no charge. If ten cents a copy is more appropriate, we have no problem with that.

Section 19 is a very important item. It deals with ratification of the budget. I will pick that up again on page 40, which goes into more detail. It would require a vote by the homeowners via a written ballot.

Page 37, lines 27, 28, and 36, deal with a special assessment and capital improvements. If it were a special assessment, rather than having homeowners hit with \$2,900 in one fine, the homeowner would be fined \$35 per month. That \$35 a month would translate to \$420 per year.

Robert Robey:

I have a question on procedures. I know that we have to leave here at 11 a.m., and there are many people sitting here in Las Vegas wishing to testify. It does not look like we will make it by that time. Is there anything we can do?

Chairman Ohrenschall:

We are actually trying to figure that out right now. We will see how far we can get and make our decision a little before 11 a.m.

I have a question. In regard to these special assessments on page 38, lines 31 and 32, where it states, "An assessment for a capital improvement may not exceed \$35 per unit per month," what would happen if there were a need for a major project?

Jonathan Friedrich:

Normally, the association creates its annual budget several months before it takes effect. The association should be cognizant of what it is looking at, unless, for instance, a sewer line breaks. If there were major damage caused by somebody, that would probably be covered under casualty insurance. In most cases, the board should have a handle on the situation. If a wall is deteriorating, they would know before the budget is made.

Chairman Ohrenschall:

Thank you. I do want to remind you we have to be at the floor at 11 a.m.; so if you could speed it up, that would be appreciated.

Jonathan Friedrich:

Let me skip to the end, which has some very important issues regarding what I call the "arbitration trap." In regard to arbitration, this bill would put a cap of \$750 on an arbitrator or mediator who is working under the Nevada Real Estate Division arbitration program. Each side would pay half of the arbitrator's fees. Right now those fees are anywhere from \$100 to \$600 an hour for each side. That \$750 would be split by both the claimant and respondent so that each side knows what the arbitrator's fees are going in. Currently, under the

Nevada Supreme Court regulations, when there is arbitration in district court on cases under \$50,000, there is a cap of \$1,000 on the arbitrator's fees. These are not complicated cases. They are not medical malpractice or automobile cases. They are usually disputes between a homeowner and his or her board. I feel \$750 is more than adequate. You would also prohibit the arbitrator from awarding attorney fees against the homeowner. Currently, under Nevada Real Estate Division's own statistics, 85 percent of arbitration cases go against the homeowner. It is catastrophic financially for a homeowner who is unwary and walks into arbitration thinking he or she is going to get a fair shake. He or she has an 85 percent chance of losing, and then he or she gets stuck with tens of thousands of dollars of arbitrator and HOA attorney fees. This is on pages 56 through 58.

On page 59, currently in NRS Chapter 38, it allows an arbitrator's findings to be entered into a court record if a *de novo* lawsuit is commenced by the losing party. That poisons the well because the judge, and possibly the jury, will know what the arbitrator's findings were. It is unfair.

On page 55, if you file a complaint with the ombudsman's office, you do not get to see what the board's response to that complaint is. It is considered confidential. We would like to have total transparency where there is an exchange of documents.

Chairman Ohrenschall:

I do want to remind both of you there are many people here signed in to testify. I want to make sure we get to them.

Robert Robey:

I would like to refer to page 53, line 25. We need to take out the word "not." It will then read, "In a common-interest community which is gated or enclosed and the access to which is not restricted or controlled" This has to do with parking. If a person's car is parked where parking is prohibited, the car can be towed. However, if the area where the person's car is parked does not have signage stating that there is "no parking" or "fire zone," the person's car cannot be towed. I was going to make phone calls to an elected candidate on this issue, but I could not because it was in a gated community.

Jonathan Friedrich:

For brevity's sake, I will pass on the rest of the items. As you said, there are many people wishing to speak. I am sure there are many people for and against. In summary, this bill gives a lot of rights back to homeowners that over the years have eroded.

Chairman Ohrenschall:

Assemblyman Munford, do you have any other witnesses?

Assemblyman Munford:

Yes, I do.

Assemblyman McArthur:

This question goes back to page 18. It is talking about the authorization to enter the grounds to fix it up? You said there was a problem with the authorization and that it was a long process.

Jonathan Friedrich:

That is what a management company indicated to me. Once they go through the process of filing with a bank, for instance, a reauthorization is required for the same property. I do not know whether that is fact or fiction, but that is what was relayed to me by a management company.

Assemblyman McArthur:

If you read the paragraph before that in section 7, subsection 2, once you go through the process of letting all the unit owners know what is going on, that gives you the authorization to go in and fix up the exterior. I am not sure why you need that reauthorization every time.

Jonathan Friedrich:

That is what was relayed to me.

Assemblyman McArthur:

We need to get together on that because the paragraph before that was a bill I put in last session, and that was not the intent.

Jonathan Friedrich:

It is a great concept, but I was told that it needed to be rehashed every time.

Assemblyman McArthur:

That was not the intent, so we will go over that later. I was just curious where you got that.

Chairman Ohrenschall:

If you have any witnesses in support of the bill, I want to remind them that we have to be down on the floor at 11 a.m., and there are witnesses wishing to speak in opposition, as well.

Assemblyman Munford:

I have some more witnesses.

John Radocha, Private Citizen, Las Vegas, Nevada:

I have traveled from Las Vegas to Carson City to briefly let you know what is happening to people living in HOAs in this state.

[Continued to read from prepared testimony ([Exhibit I](#)).]

Chairman Ohrenschall:

Are there any questions? [There were none.]

Delores Bornbach, Private Citizen, Las Vegas, Nevada:

I have also traveled here from Las Vegas to speak in favor of passage of this bill, A.B. 448. I have witnessed firsthand how overbearing and dictatorial HOA boards have been.

[Continued to read from prepared testimony ([Exhibit J](#)).]

Chairman Ohrenschall:

Are there any questions? [There were none.] Assemblyman Munford, is there anyone else that you wish to speak in favor of the bill?

Assemblyman Munford:

Not at this time. There are quite a few people down South who should be given the opportunity to speak.

Chairman Ohrenschall:

Is there anyone down in Las Vegas wishing to speak in favor of A.B. 448?

Tim Stebbins, Private Citizen, Henderson, Nevada:

I want to say that I am in favor of many sections of A.B. 448. I believe my comments have been faxed up to you ([Exhibit K](#)).

[Continued to read from prepared comments.]

Chairman Ohrenschall:

Are there any questions? [There were none.]

Doris Vescio, Private Citizen, Henderson, Nevada:

I support Assemblyman Munford's bill, A.B. 448. It would stop the fines. Who would know better than I? Last November, I was fined \$100 plus \$100 per week thereafter. I have a problem regarding a fence that was

approved by ARC, which allowed me to spend \$3,000 for the fence. Months later I was told it was illegal, and I was asked that the fence be removed. That is when all of the trouble began. We desperately need A.B. 448 to stop the fines and harassments. Please pass this bill.

Assemblyman Munford:

Could you have her come back again?

Hello, Ms. Vescio. How are you doing?

Doris Vescio:

To be honest with you, this has affected my health severely. I almost lost my dog through this, and she is a service dog. I am nearly deaf, and I depend on her to alert me of dangers and phone calls. If the phone rings, she jumps on me to let me know the phone is ringing.

Assemblyman Munford:

What was the total assessment of those fines that have been issued for that violation? Did it go up to \$8,000?

Doris Vescio:

I would say it was probably \$7,000 to \$8,000. The fine has been waived, and I get to keep the fence for two years, which is a year from this coming January. My problem with the coyotes is not going to get any better. The coyotes run up and down our streets during the day and night. I have had no problem with coyotes since I put this fence up. It is too high, and I did not know it was over the legal height. I have the approval that ARC signed, yet the board told me it was illegal.

Chairman Ohrenschall:

We are not trying to get into any of the individual problems but talk about the merits of the bill. Thank you for your testimony.

Is there anyone else wishing to testify in support of the bill?

Norman McCullough, Private Citizen, Henderson, Nevada:

I would like to thank Assemblyman Munford for sponsoring this bill. I think it is past time that the HOA boards of directors took notice of our plight. I want to speak a little bit about Mr. Friedrich's binders. He showed you two binders, and in one of them, there is a case about me. He mentioned the kangaroo court, and that is what I suffered through. My board of directors submitted me to a kangaroo court, which denied my rights of due process guaranteed to me by the *U.S. Constitution*. I do not want to go into it because it is too time

consuming. At the time of this kangaroo court, I hired a lawyer, and my lawyer asked that he be allowed to videotape the proceeding. My board president would not allow that hearing to be videotaped. That is an important issue in my case. Not only were my due process rights denied, but my rights to defend myself were also denied. This should not be occurring in the State of Nevada. I will not have my rights taken away.

Earlier today, when the previous bill was being heard, a former board member gave testimony. In her last sentence, she said the best government is the least government. I take issue with that. We have more and more government everyday, and that is what this hearing is all about. The thought struck me as I walked into this building today. I passed a sign by the front door that prohibits bringing handguns into this building. That is a law, and is that a bad law? No, it is not a bad law. These things must be taken into consideration. This bill is another law that deserves to be heard and deserves to be passed.

Chairman Ohrenschall:

Are there any questions? [There were none.]

Gary Seitz, Private Citizen, Las Vegas, Nevada:

I am in support of this bill. Assemblyman Carrillo asked about what happens when 7,000 residents ask for paperwork. The cost is already borne by the homeowner; so if the entire group of 7,000 homeowners asks for a CD or paperwork, the homeowners have already paid for them.

Some names have been mentioned regarding Nevada Real Estate Division and ombudsman's staff. My personal experience with the staff down there on Sahara has been great. They have been very helpful, kind, and friendly. I may not always be told what I would like to hear, but I think that they do actually care, and that is a start.

Joyce Patterson-Rogers, Private Citizen, Las Vegas, Nevada:

I live in a smaller, older association, and although we are all adults and owners, we are governed by a board president who is a bully and is supported by a management company. Almost all legislation seems to be in advantage of the management companies, lawyers, and HOA boards. I am in favor of this bill because it will finally give rights back to homeowners.

[Chairman Ohrenschall left the room, and Assemblyman Carrillo assumed the Chair.]

Gary Brodt, Private Citizen, Summerlin, Nevada:

I am in favor of the bill. This is one of the few bills that I have seen in Nevada that is written by the people who have been affected. This is not written by the people who are making money off the associations.

As far as how much it costs to get a CD, I live in Sun City Summerlin, and when I want to get the minutes on a CD, I fill out a form, and within three hours I have it, and it costs me one dollar. This makes it simple to get the minutes and stay up to date with the association happenings.

Acting Chairman Carrillo:

Do we have any other witnesses down south?

Robert Frank, Private Citizen, Henderson, Nevada:

I have been on the board at Sun City Anthem, and I have been a resident there for almost six years. I had prepared an extensive list of supporting materials similar to what Mr. Stebbins submitted and decided I did not need to be redundant. I would like to thank Assemblyman Munford for his leadership and this Committee's leadership. In my opinion, this bill is necessary, but it is only the first step toward trying to balance the rules and regulations to make sure homeowners have not lost their constitutional rights. The boards have reached a point of serious overcontrol. Speaking as a former board member, I can assure you that this is a good first step. More legislation will be needed in the future to further balance the rules so we have harmonious relationships within the communities. You cannot dictate to people and make them comply with unreasonable rules and guidelines.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Sarah Goldstein, representing Golden Crest Property Inc.:

We manage for many out-of-state or out-of-country owners, and they are dumbfounded by many of the atrocities that are imposed. We are in favor of this bill.

Acting Chairman Carrillo:

Are there any questions? [There were none.]

Is there anyone else wishing to testify in support?

Robin Huhn, Private Citizen, Las Vegas, Nevada:

I am in support of this bill. I know that Mr. Friedrich, Mr. Robey, and Assemblyman Munford have put their heart and soul into this. Please listen to them and to the homeowners.

Acting Chairman Carrillo:

If we have duplicate testimony, you can come up, but please keep it short. There are still many wishing to testify.

Rana Goodman, Private Citizen, Henderson, Nevada:

I do support this bill. I would like to suggest one tiny amendment. On the paragraph where homeowners may be blocked from using the facilities when the violation fits the crime, I would like it stated that homeowners may not be blocked from using any common element other than on nonpayment of dues. This was done to a resident of our community for an infraction that I believe our board had to find a crime to make it fit. I do not think it is fair when a resident is paying for the use of our facilities and then is blocked from using them.

Barbara Holland, Private Citizen, Las Vegas, Nevada:

Will there be another session? There are quite a few people here in Las Vegas who would like to speak in opposition. Can you tell us when we will have the opportunity to be heard?

Acting Chairman Carrillo:

We are working on that right now. I am not sure whether it will be this afternoon or held until next week.

Barbara Holland:

If it is going to be in the afternoon, how would we know once we leave this building?

[Chairman Ohrenschall reassumed the Chair.]

Chairman Ohrenschall:

We will reconvene right after the floor session. We might only have two Subcommittee members here. We can then go until at least 1 p.m. We will hopefully be back sometime between 11:30 a.m. and noon.

Barbara Holland:

For us in Las Vegas, should we be back here by 11:30 a.m.?

Chairman Ohrenschall:

Yes.

[The Subcommittee recessed and reconvened at 12:06 p.m.].

It looks like there is no one else in support of A.B. 448, so I will turn to the opposition. Thank you all for your patience.

Barbara Holland:

This is one of those bills where there is good intent, but there are many sections where the consequences have not been discussed. If you take a look at page 5, it talks about the fact that if someone is about to commit a violation, it can be sent off to the commission for a hearing. This is unrealistic. It is one thing to actually commit a violation, and it is another thing to think about it. The commission is so backlogged right now, and it does not need another law that will give it more hearings.

If you take a look at page 10, it says there is no charge for books, records, et cetera. Yes, it is a true statement that I do not have 7,000 people coming to my office asking for records and whatnot.

Chairman Ohrenschall:

In section 1, if you think that provision is impractical, can you think of anything alternatively that would work? Do you think the status quo is sufficient?

Barbara Holland:

I think it happens to be overkill. One of the most successful programs right now with the ombudsman's office is the intervention program. The intervention program has been a way to fast-track many of the problems people have and both sides voluntarily talk with the ombudsman, who is like a mediator. This has been a useful program.

Going back to page 10, the process consists of receiving a letter from a homeowner asking for "the records." What records is that homeowner talking about? I have been managing some associations for seven years. During that seven-year period, technology has changed, but at one time many of those records had to be hard copies. Today, we can file records on a computer. It takes time for staff members to leave their work and look through files to search for what the homeowner asked for. There will always be a cost, whether it is time or money. Even the ombudsman's office charges for certain documents.

One of the other issues in this section is the correspondence between the unit owner and the community manager. This section would violate both the federal privacy acts as well as NRS Chapter 116. The correspondence between the unit owner and the community manager is private. If I have written you

a letter, and we end up going back and forth, I would feel that I would need to be served with a subpoena to follow this particular section of the law, or to have the homeowner's permission. I think you need to take a look at this section because it is important.

Chairman Ohrenschall:

That is on page 10?

Barbara Holland:

Yes, it is on page 10, subsection 3. That paragraph mentions producing requested records at no charge, and about five lines down, it speaks to the fact that an individual homeowner could get correspondence between a unit owner and the community manager. That is something we would have a problem with under federal law, as well as under NRS.

The next section I would like to address is on page 11. When I first came into town, board members could be elected by proxies. We actually voted at the meetings and did not send in our ballots. When the board sent out the notice of the election and the names of the candidates, the board also sent out proxies. The State Legislature changed that quite a few years ago. It was thought that the boards had advantage because the board of directors could get a whole bunch of these proxies and elect people it wanted to elect. Now we have a section that would turn back the page in regard to the use of proxies in the specific situation where an association does not have a full contingent of the board of directors. Let us assume there is a five-person board, but I am down to two members in the board. According to this proposed section, instead of the two members appointing people to filling the terms of those who left, the board would have to go through this different process. In the procedures that exist currently for an election of the board of directors, we send out a 30-day notice asking potential candidates to fill out an application. Within 30 days, we send out the ballots, and the homeowners have 15 days to return the ballots. If you are going to make a change, then you need to be consistent with the law. With this section, there will be an election, and people will bring in proxies. In two years, we will be back at the Legislature with complaints about the proxies. To me, this is going backwards in the law. The legislature made a decision based upon homeowners' complaints of the "evils" of the proxies.

Moving on to page 12, I consider myself an educated person. I have a Master's degree from the University of Connecticut. I have read this section a lot, and it states, commencing at line 1, "(1) A candidate elected to the executive board pursuant to this subsection is elected for a term of 90 days" In theory, what should be happening is that if you did have this type of election due to no quorum, the person with the highest number of votes would

have the longest term. For instance, he or she would take the seat of the person who vacated it with the term expiring in 2012. The person with the fewer number of votes would take the next vacated seat expiring in 2011. The section goes on to say:

. . . except that if the regular election for that seat on the executive board must be conducted within 180 days after the candidate's election, the candidate is elected for the unexpired portion of the term.

(2) The executive board may not fill any vacancy remaining after the election but, within 90 days after the election pursuant to this subsection, must call for an election to be conducted pursuant to NRS 116.31034 to fill:

(I) Each remaining vacancy for which a regular election is not required within 180 days; and

(II) The seats on the executive board which were filled pursuant to this subsection, unless an election for such a seat is required to be conducted within 180 days.

I have no idea what that means. This is a nightmare as far as linguistics and the English language. It is making something a lot more complex than needed. If it is the desire of the Legislature, when a board does not have a quorum, it can appoint board members for the vacated seats and follow the procedure we have now and allow no proxies. This would be more intelligent. Whoever is selected would then be filling in the specific time frames as far as the vacated seats. This section is a nightmare.

Chairman Ohrenschall:

Earlier, there was testimony about a board that had just one member for up to six weeks. Is that something that concerns you? If not, do you think the current statutes are adequate to not let that happen?

Barbara Holland:

One of things you have to realize is that most people do not want to run for the board of directors. Why would a board that has staggered positions end up with vacancies? Honestly, we do not have enough people wanting to even be a candidate. I manage a number of associations, one of which has 791 homes, and this is the first year that association has a full complement of directors in about five years. There is more of a problem finding people for the board than trying to keep people from running for the board. I am not sure whether that answers your question.

Moving onto page 13, as far as imposing a construction penalty, this would allow an owner to not have to take care of construction caused by circumstances beyond the control of the unit owner. Anybody can say he or she cannot complete his or her construction because of the economy. Many associations have already given extensions and variances to homeowners because of the economy. The way this is written says, "Circumstances beyond the control of the unit's owner." What does that actually mean? Does it allude to financial problems? It is very broad. One of the reasons this was passed originally was because of those HOAs where people actually bought land and then had to build their homes. An example of this is people who built their homes in a timely manner and had to live next to empty lots because other unit owners did not build their homes in a timely manner. Sometimes this law is applied to homeowners who have not taken care of their backyards. I receive complaints all the time from homeowners asking what we are going to do about the neighbor who has not taken care of his or her backyard but was required to by the governing documents.

On page 15, section 2, I think it says that I cannot fine a homeowner or tenant for violation of something in my association where another association's executive board has fined that unit owner. How would I know whether this person was fined if he or she owns multiple units in multiple associations? This section makes no sense. If that homeowner is being fined by multiple associations, maybe the question should be raised that we have a poor investor-owner.

Moving onto pages 16 and 17, section 9, this speaks to filing a claim with Nevada Real Estate Division about an executive board that may have violated the governing documents in imposing a fine. The fine would be stayed until the conclusion of the mediation or arbitration. Mediations and arbitrations are over a year and a half behind. For those homeowners who were complaining about their neighbors who they thought were not abiding by the governing documents, I must go to a meeting with the homeowner who is wondering why it is taking so long. I tell him or her that we are following due process. This section may sound good, but as far as getting a resolution in a timely fashion, it is not going to happen.

I would like you to take a look at page 20. It speaks to the fact that if two people are married to each other, those two cannot be on the same board of directors. What happens to a couple who are investors and own multiple units? Obviously, this is taking away some of their rights. Right now, the law talks about disclosure. If you are a candidate for a board of directors, you are supposed to disclose certain information. It also states that if the candidate fails to make that disclosure that goes out with the ballots, the association

cannot write down what the homeowner should have disclosed. I am more concerned about the homeowners who run for the board but owe money and are constant violators of the governing documents. I would rather see the Legislature have a regulation defining what a member in good standing is. If you read this section, it is almost ironic. You can have people running who are not members in good standing. They technically have to disclose that information, but if they do not, the association cannot put that information in. If I have a person who is now elected to the board of directors, and the homeowners do know about the problems this elected homeowner has, he or she cannot participate in the hearings. The bulk of the work of many HOA boards is hearings. Let us say there is a three-person board that now only has two directors listening to a hearing because the third person cannot participate in the hearing. You have been focusing on the fact that there may be a husband and wife on the same board but disclosed that information. It should be up to the homeowners whether or not the couple is elected. That is part of the democratic process.

Moving along to page 28, this deals with the agenda being mailed to the homeowners, and homeowners requesting items to be placed on the agenda. Quite a few people spoke about this particular section. Current state law says that if I believe the board is in violation of the governing documents or of NRS Chapter 116, and I send a letter to my management company or the board, if the board does not act on that letter, it becomes an item on the agenda. I would agree that a board can introduce the item from the agenda and not take any action. I understand that not many people are going to place items on the agenda. One homeowner can be an absolute nightmare. We have seen some individual owners who have reached a point where good boards of directors have left. Even management companies have given some of these homeowners notice.

We have a severe problem right now in terms of meeting places. Many times meetings are held in libraries, but we are kicked out after two hours. I can assure you that because of the amount of work we do, we run out of time continually. We do not want to have important items left until last, or not heard at all, because of time constraints. Then the board will send emails back and forth to make decisions on these items. This is a board meeting and not a homeowner meeting. If you want to make changes, change how many times homeowners' meetings are held.

Moving to page 29, this deals with videotaping meetings. I do not think I would want anybody videotaping. It is one thing to do an audio recording, but I think we would have many homeowners who would absolutely object. I am not necessarily talking about my board of directors having videos of us. There are

homeowners who bring children to these meetings. I am sure they would not want videotaping of their children.

The Legislature passed a law last session that said we need to have two homeowner forums. The first homeowner forum is specific to the agenda. That gives the homeowners an opportunity to talk about the issues. This particular proposed section on page 33 would require that the homeowners be involved in every issue. Unfortunately, with two- or three-minute time limits, that cannot happen. It is hard to cut off somebody from talking. Too many homeowners do not call us and ask for additional information prior to the meetings. As nice as it sounds, many associations already do something like this and try to include homeowners as much as possible. Often, the conversation gets very personal, and then we have to be careful that no one is claiming discrimination because comments are being made by homeowners who are not being properly controlled.

Chairman Ohrenschall:

Ms. Holland, I appreciate your testimony, but I do want to remind you that there are others in opposition wishing to speak. We are only here until 1 p.m.

Barbara Holland:

I do not have much more left. I would like to comment on a couple of additional items.

I want to talk about the surplus funds. You have not asked the question of why an association has surplus funds. Currently, a number of associations appear to have surplus funds because a whole bunch of homes in foreclosure were just sold. I can have seven homes that just concluded foreclosure proceedings at the end of the year, and we will collect nine months worth of assessments. You need to ask whether some of the money in the surplus funds is prepaid. Many people will pay their assessments for an entire year, rather than monthly. If you are going to define surplus funds, you need to take into account prepaid assessments, and that you have associations in which there have been multiple sales and closings on foreclosed homes. I would also like to mention accounts receivable. The members who prepay their assessments will make the surplus fund look like it is a surplus, but that association may very well have over \$100,000 that is owed.

I have two more comments. You have to remember that the legislature passed more laws about the reserve accounts because people were complaining about special assessments. This is one of those "Catch-22" situations because of many associations have never reached the full capacity of funding the reserves, and that does require a special assessment. In section 11, on page 38, I can

tell you now that \$7,500 can be the roof of your building. For me to get a majority vote on anything is unrealistic. If you think we are going to get a majority vote to approve things of this sort, it is not going to happen. In the meantime, when you call me and tell me your roof is still leaking, what can I say? You will have to do something about it because I cannot get this approved. The law currently states that when we send out the budget, we are supposed to send out part of the reserve. When the homeowners approve the budget or ratify a rejected budget, the things that we do know are planned for according to the reserve of what we are going to be spending.

That leads me to my final comment about approving the budget. When I first came into town, the way budgets were approved was by having a meeting. Depending upon the governing documents, 51 percent or more of the homeowners needed to approve the budget at the meeting. When the homeowners met to approve the budget, we did not have the quorum. Another section in the governing documents allowed us to have a second meeting, called the "adjourned meeting," where the quorum of 51 percent went down to 25 percent. Picture an association with 100 homes, and you did not have 51 people show up. A second meeting was needed, and 25 people did show up and 13 people approved the budget. That is one of the reasons the Legislature changed the law over the years as far as requiring homeowners to reject a budget, rather than ratifying a budget. If this were to pass, we will have tremendous difficulty in getting our budgets approved. There would be difficulties in the collection of money to take care of the bills we have.

Many sections of this bill are already in the books. It is overkill. If you look at page 42, we are already required to give people equal time for both supporting and opposing a position. If you look at section 24, it is asking people to have the right to look at criminal action. It states, ". . . records filed with a court relating to civil or criminal action to which the association is a party" Let us assume you did something, and it is not necessarily negative on the HOA side, but it involves another homeowner and is deemed to be either a civil or criminal action, once again there is a privacy situation. In this section, it is again included that people can see architectural plans. During the 2009 Legislative Session, architectural plans were added as something a homeowner could not see. That was part of the privacy issue.

If our traffic laws were changed every legislative year, like you have done with the HOAs, we would have many more accidents in the State of Nevada.

Chairman Ohrenschall:

I know you are considered a great authority on HOAs down in Las Vegas. Could you put all of the points you made today in writing and send them to the Committee?

Barbara Holland:

Yes, I will do that over the weekend.

Chairman Ohrenschall:

Are there any questions? [There were none.]

Will the next witness please come forward?

Kevin Wallace, representing Community Association Management Executive Officers, Inc.:

I will try to make my comments brief. I think it is notable that Mr. Friedrich cited specific examples in his testimony. It is somewhat troubling that this could be legislation by antidote. Each of his examples were specific to a particular situation and not necessarily applied to the industry as a whole. I think there were many unintended consequences in this bill, which is quite troubling. Additionally, this bill would be difficult to implement administratively within the associations. Also, the cost involved in implementing this bill would be extreme to the associations. If this bill were to go into effect, we are working on a pro forma basis. The early estimations are that it would be a more than 25 percent increase for the associations.

On page 6, one of the unintended consequences of this change is that if we needed to make an emergency repair to a street where the street had to be blocked, we would have to get permission from every homeowner on that street prior to doing the repair. That is something we do not want to do if we have a waterline break or something.

Usually Mr. Friedrich purports to be for the little man, but this seems to be the rich man's paragraph. If you have \$2,500, you can give that to the association and have a free pass for life.

Chairman Ohrenschall:

What page is that?

Kevin Wallace:

We are on page 14. This is where it is proposed that the fines imposed on the unit owner must not exceed \$2,500. If you have \$2,500 then you can pay that

to the association and violate the rules the entire time you live there. I do not think that would be fair to the rest of the owners in the association.

On page 19, this seems to be a policy issue. Who should pay the cost of collection if we can legislate the amount we are going to charge the owner? We cannot legislate what the cost is. The cost is what the cost is. Should the owners who are delinquent pay the cost of collection or should every owner in the association pay that cost? This would essentially shift the burden for most of the cost of collections to every owner in the association as opposed to those owners who are delinquent.

On page 37, section 19, the law is pretty clear. The association must have adequate reserves. One of the tools is the ability to assess the owners for that to satisfy the obligation under the law. This takes away that tool without eliminating the obligation to fund an adequate reserve. It will be very difficult for some associations to comply with the law given that restriction.

On page 38, section 19 again deals with the capital improvements. Current law requires a vote for any budgeted item on a capital reserve. This is actually less restrictive than the current law. I am not sure we want to go there.

Page 40, section 20, deals with the budget. This is a very costly addition to the law. The current law requires an association to present a budget. If it has an increase under the percent specified in that law, then the majority of the owners have to reject it. If it is over that percentage, the majority of the owners have to approve it. That threshold makes a lot of sense in an association where you do not necessarily have the types of input you would like to have in the association. This would make it difficult for associations to pass budgets. Having that reasonable threshold percentage makes more sense than this provision.

On page 44, section 22, it seems to eliminate the nonjudicial foreclosure provision that has existed in Nevada law for a very long time. This would move all foreclosures into a judicial process, which would drastically increase the cost to the owners in the associations. This could be labeled "the attorney full employment plan."

Finally, on page 45, it seems to terminate the right of the association to place a hold on a foreclosure. Essentially, this works against the association because it would be forced to make a decision to foreclose on a homeowner or give up the right to foreclose forever. Many times, the homeowner will be so indebted in collections and then come to the table. Most of these are resolved through

payment plans arrived at through negotiations with the association. If that ability is taken away, then you will see a lot more foreclosures. It would force the hand of the association.

Most of my comments were covered by Ms. Holland.

Chairman Ohrenschall:

Are there any questions? [There were none.]

As I asked Ms. Holland, could you place your comments in writing and send them to the Committee?

Kevin Wallace:

I will do so.

David Berman, Private Citizen, Henderson, Nevada:

I want to enhance the comments of Ms. Holland and Mr. Wallace by giving you a homeowner's perspective. I am a former vice president of the executive board of Sun City Anthem in Henderson. It is sobering to know that when you have a large HOA such as ours, the population of our community is larger than eight counties in the state. These matters need to be taken seriously. As I reviewed the bill in detail, my first reaction was that I was looking at a hodgepodge of a bill. It was refreshing to see it dissected as it has been.

Before I talk about the two or three provisions that concern me, out of many, I want to tell you that I think the very essence of HOAs sometimes seems to elude our elected officials. The lifeblood of HOAs is the dedication of resident volunteers who step forward to serve their communities with no monetary compensation whatsoever. It is usually at a great sacrifice to them because they want to help their communities.

[There were technical difficulties resulting in some of the testimony being lost.]

Chairman Ohrenschall:

We are having some technical difficulties. Is the other microphone off down there in Las Vegas?

David Berman:

Yes.

Chairman Ohrenschall:

We are having trouble hearing you.

We can hear you much better but cannot see you. We are going to have Information Technology Services (ITS) try to fix this. I want to remind you to only speak to points that have not been touched on by previous witnesses.

David Berman:

I assure you my statement is not long, and my points are somewhat different. Do you want me to pick up where . . .

[Technical difficulties persisted.]

Chairman Ohrenschall:

We are having technical difficulties and have to take a brief two minute recess so ITS can see what is going on.

[The Subcommittee recessed and reconvened at 12:47 p.m.]

Mr. Berman, we are back up so please continue your testimony.

David Berman:

I am not sure the legislature appreciates what it takes to be a volunteer in an HOA. We put forward a lot of our time without compensation, yet it seems when legislative changes are made, there are sanctions for acting in good faith. Volunteers are treated as if they are possessed with evil intent until they prove otherwise. That effectively discourages volunteers from stepping forward, especially in a retirement community such as the one in which I live. I worked hard all my life, and I do not need this grief.

I want to address sections 19 and 20, which pertain to the approval of a budget. In smaller HOAs of 25 to 100 homes, the process proposed in this bill may be manageable. In a community such as ours with a nearly \$9 million annual budget, which is structured to provide most of the checks and balances this bill seems to imply are not there. Sections 19 and 20 would reverse the budget approval process to require the unit owners to vote to ratify the budget, rather than the current process of allowing the budget to take effect, unless the members vote to reject it. Our budget planning starts midway through the previous year. Our resident finance committee, whose majority is composed of Certified Public Accountants (CPAs), meets with our professional department heads to examine the budget proposals. Because the main characteristic of HOA residents tends to be apathy, these public meetings in which owners can participate attract little or no interest from the homeowners. There is equally little interest in the subsequent dry runs of the budget presentations while it is still in draft form and amendable through resident input. I believe that NRS 116.31151 was written to require an affirmative rejection of the budget,

rather than an affirmative approval. The writers understood the importance of having a budget in place in a timely fashion and understood how an HOA can become paralyzed if it is unable to conduct its fiscal business.

In many ways an HOA resembles how an elected body functions. Like our state legislators, our board members are elected to represent their constituents and act in their best interests. Just like you, we have committees with delegated responsibilities. If citizens are unhappy, they can vote during elections to replace their directors just as they can vote to replace our legislators. An HOA can survey homeowners' opinions, but they cannot, and must not, be required to function by referendum. Can you imagine how you would accomplish your work if everything you consider in committee could not be voted out until you have conducted a poll of Nevada voters? In our case, every time we send out a first class mailing to our large HOA, the minimum cost is \$3,500 to \$4,000. This cost rises dramatically if the mailing includes more than a few pieces of paper.

In consideration of time, I will stop there.

Chairman Ohrenschall:

Are there any questions? [There were none.]

Pamela Scott, Director, Community Association Management, Howard Hughes Corporation:

I will try not to touch on anything that Ms. Holland, Mr. Wallace, or Mr. Berman spoke on. I will say that I agree with everything Ms. Holland and Mr. Wallace had to say about the problems with the drafting of this bill.

Page 9, section 3, appears to be discriminatory against the handicapped. The way it originally read was that an association could tow a vehicle that is blocking a fire hydrant, fire lane, or a space designated for the handicapped. The way it reads now is that an association can tow a vehicle blocking a fire lane or fire hydrant, and can no longer tow a vehicle blocking a handicapped parking space.

Page 10, section 4, subsection 3, lists many documents that are supposedly to be supplied to a member of the executive board, but these documents are already supplied to the members of the executive board. The board could not do its job if it did not have these documents. Access to every single association document is already given to the board members.

I want to reiterate that Barbara Holland's remarks regarding the election when there is no quorum are absolutely on point. There was some discussion about

construction penalties. I know Ms. Holland talked about this, but I want to say that this went into law back in 2003. As it was originally drafted, it was intended only for custom home communities to assure that lots were not being purchased for speculation and being "flipped" when there were homeowners who built their home and moved in their families. Those homeowners had to live with the investor lots that were there only to flip. It was written quite narrowly. You could not apply this to a deck, and I doubt you could apply it to an addition on a home, unless there is a recorded document that already spells out the maximum amount of penalties. I understand wanting to be gentler and kinder, and I think a great many associations are doing that right now that do have custom lots.

Something that seems to have been passed over in the discussion of the \$2,500 cap on the fees is that there is another section on page 16, lines 6 through 17 that eliminates the fine for continuing penalties. If you have conducted due process, have held your hearing, and a homeowner has been found in violation and was fined for that violation, the homeowner is given 14 days under the law to correct the violation. If the homeowner does not correct the violation, an additional penalty for every seven-day period can be assessed. If you take away that continuing fine penalty, and the violation remains uncorrected, the association must hold another hearing every single time. In these large associations, it would be impossible to rehold a hearing because a violation was not corrected. It would be easier and faster to take it to arbitration.

While we are discussing money, there are 34 sections in this bill, and 17 of them will impact the cost to every association member. Their assessments will go up because a full 50 percent of this bill will require increased penalties.

Page 19, section 8, is actually discriminatory to associations that have smaller monthly assessments. If you live in one of the high-rises or the condominium hotels with a \$1,100 or \$1,200 monthly assessment, it does not take long to get to \$5,000 in delinquencies. If you live in an association with an assessment of less than \$50 a month, it could take you up to 10 years to get to \$5,000 in delinquencies before you could even recover a partial portion of what it costs to put one lien on that property. I think it is written very discriminatorily.

On page 28, section 11, line 31, it talks about bringing a guest to an annual meeting. I will tell you that we have a nonresident investor/homeowner that has brought guests to our annual meetings the last couple of times. We have never objected to this because our annual meeting is to ratify or reject a budget. I will say that last year, when this guest was brought, the homeowner and guest did cause about a 20-minute disruption to the meeting and neither the

board nor the management company had to do anything about it because the homeowners put an end to it. Most of the homeowners were there to hear a guest speaker.

In Section 12, subsection 1, it talks about a board meeting not starting prior to 6 p.m. I think what we are missing is telling a board of members when they have to meet. I think the majority of the boards meet in the evening hours, but you could have a board member who works a swing shift. That board needs to accommodate that need. We need to remember these are meetings of the executive board to conduct the business of the association. These meetings are not the unit owners meeting. That should be an evening meeting, if it accommodates everybody. An executive board meeting needs to accommodate the board members because they are the ones who need to be at that meeting and make those decisions.

There are so many things in this bill that need more details and definition as opposed to substance. What does "fully discussed" mean? There is a provision in here on page 29, line 41 that says you have to provide what is basically a board package, including your bank records, which have bank account numbers on them, to any homeowner who comes to the meeting. You do not know how many homeowners will be at a meeting. If a meeting is in a library, there would be no way to run additional copies if there were not enough. That will cost the association and the homeowners more money.

In section 19, it is the epitome of one-size-does-not-fit-all. As it is written, it could be interpreted that you could not even remove a dead bush from the common area because it would change the appearance of the exterior. A board is elected to manage the association. It is an elective form of government. When you keep adding these mini-micromanaged issues, you might as well do away with the board and vote on everything. Obviously, an association could not operate under those circumstances.

Regarding page 42, section 21, line 27, this adds more cost to homeowners. I will quote Assemblyman Munford. He said, "More associations need to consult with a qualified expert when it is doing its business." This is for a study of reserves. These reserve study persons need to be registered with Nevada Real Estate Division showing they are qualified experts to do reserve studies. However, this says after this qualified expert has provided this reserve study, the study now has to be vetted with every homeowner prior to the board accepting it and using it in its plans for budgets in future years. It makes no sense. Again, a meeting would have to be called and documents provided. This is more money and dues will go up.

In the interest of being brief, I am going to stop there. I think there is so much that needs to be fixed in this bill. I think it would take a lot of people a lot of time. So much of it is already in statute.

Chairman Ohrenschall:

Are there any questions? [There were none.] We are about to lose the committee room. We will repost for next week.

[([Exhibit L](#)) was entered into the record.]

Meeting is adjourned [at 1 p.m.].

RESPECTFULLY SUBMITTED:

Julie Kellen
Committee Secretary

APPROVED BY:

Assemblyman James Ohrenschall, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Judiciary

Date: April 1, 2011

Time of Meeting: 7:44 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 389	C	Constance J. Brooks	Proposed Amendment
A.B. 389	D	Tim Stebbins	Prepared Testimony
A.B. 389	E	Marilyn Brainard	Prepared Comments
A.B. 389	F	Gail Anderson	Proposed Amendment
A.B. 448	G	Jonathan Friedrich	Binder Containing HOA Issues
A.B. 448	H	Robert Robey	Proposed Amendments
A.B. 448	I	John Radocha	Prepared Testimony
A.B. 448	J	Delores Bornbach	Prepared Testimony
A.B. 448	K	Tim Stebbins	Prepared Comments
A.B. 448	L	Jonathan Friedrich	Proposed Amendment