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FIRST REPRINT

A.B. 474

ASSEMBLY BILL NO. 474—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

Referred to Committee on Ways and Means

SUMMARY—Revises certain fees paid by homeowners' associations. (BDR 10-1170)

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

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

AN ACT relating to common-interest ownership; revising certain fees required to be paid by homeowners' associations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law establishes certain fees that must be paid by homeowners'
2 associations to the Real Estate Administrator for deposit with the State Treasurer
3 for credit to the Account for Common-Interest Communities and Condominium
4 Hotels. These fees are established on the basis of the actual costs of administering
5 the Office of the Ombudsman for Owners in Common-Interest Communities and
6 Condominium Hotels and may not exceed \$3 for each unit in a homeowners'
7 association. (NRS 116.31155) This bill increases that amount from \$3 to \$5
8 beginning on July 1, 2016.

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

1 **Section 1.** NRS 116.31155 is hereby amended to read as
2 follows:

3 116.31155 1. Except as otherwise provided in subsection 2,
4 an association shall:

5 (a) If the association is required to pay the fee imposed by NRS
6 78.150, 82.193, 86.263, 87.541, 87A.560 or 88.591, pay to the
7 Administrator a fee established by regulation of the Administrator
8 for every unit in the association used for residential use.



* A B 4 7 4 R 1 *

(b) If the association is organized as a trust or partnership, or as any other authorized business entity, pay to the Administrator a fee established by regulation of the Administrator for each unit in the association.

2. If an association is subject to the governing documents of a master association, the master association shall pay the fees required pursuant to this section for each unit in the association that is subject to the governing documents of the master association, unless the governing documents of the master association provide otherwise. The provisions of this subsection do not relieve any association that is subject to the governing documents of a master association from its ultimate responsibility to pay the fees required pursuant to this section to the Administrator if they are not paid by the master association.

3. The fees required to be paid pursuant to this section must be:

(a) Paid at such times as are established by the Division.

(b) Deposited with the State Treasurer for credit to the Account for Common-Interest Communities and Condominium Hotels created by NRS 116.630.

(c) Established on the basis of the actual costs of administering the Office of the Ombudsman and the Commission and not on a basis which includes any subsidy beyond those actual costs. In no event may the fees required to be paid pursuant to this section exceed ~~\$31~~ \$5 per unit.

4. The Division shall impose an administrative penalty against an association or master association that violates the provisions of this section by failing to pay the fees owed by the association or master association within the times established by the Division. The administrative penalty that is imposed for each violation must equal 10 percent of the amount of the fees owed by the association or master association or \$500, whichever amount is less. The amount of the unpaid fees owed by the association or master association bears interest at the rate set forth in NRS 99.040 from the date the fees are due until the date the fees are paid in full.

5. A unit's owner may not be required to pay any portion of the fees or any administrative penalties or interest required to be paid pursuant to this section to both an association and a master association.

6. An association that is subject to the governing documents of a master association may not be required to pay any portion of the fees or any administrative penalties or interest required to be paid pursuant to this section to the extent they have already been paid by the master association.

7. A master association may not be required to pay any portion of the fees or any administrative penalties or interest required to be



1 paid pursuant to this section to the extent they have already been
2 paid by an association that is subject to the governing documents of
3 the master association.

4 8. Upon the payment of the fees and any administrative
5 penalties and interest required by this section, the Administrator
6 shall provide to the association or master association evidence that it
7 paid the fees and the administrative penalties and interest in
8 compliance with this section.

9 9. Any person, association or master association which has
10 been requested or required to pay any fees, administrative penalties
11 or interest pursuant to this section and which believes that such fees,
12 administrative penalties or interest has been imposed in error may,
13 without exhausting any available administrative remedies, bring an
14 action in a court of competent jurisdiction to recover:

15 (a) Any amount paid in error for any fees, administrative
16 penalties or interest during the immediately preceding 3 years;

17 (b) Interest on the amount paid in error at the rate set forth in
18 NRS 99.040; and

19 (c) Reasonable costs and attorney's fees.

20 **Sec. 2.** This act becomes effective on July 1, 2016.

