

**Amendment No. 546**

Assembly Amendment to Assembly Bill No. 240 (BDR 10-821)

**Proposed by:** Assembly Committee on Judiciary

**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will ADD a 2/3s majority vote requirement for final passage of A.B. 240 (§ 4.7).

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date
Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>
Receded	<input type="checkbox"/>	Not <input type="checkbox"/>	Receded	<input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of *green bold underlining* is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) *orange double underlining* is deleted language in the original bill proposed to be retained in this amendment.

BJF/BAW



Date: 4/16/2015

A.B. No. 240—Revises provisions governing liens of a unit-owners' association.  
(BDR 10-821)



ASSEMBLY BILL NO. 240—ASSEMBLYMEN MOORE, SEAMAN, FIORE,  
JONES, DOOLING; GARDNER, O'NEILL, OSCARSON AND SHELTON

MARCH 9, 2015

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing liens of a unit-owners' association.  
(BDR 10-821)FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

~

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

AN ACT relating to common-interest communities; revising provisions ~~governing the enforcement and priority of a unit-owners' association's lien on a unit; repealing provisions authorizing~~ relating to the nonjudicial foreclosure of ~~an~~ a unit-owners' association's lien; authorizing a right of redemption after the foreclosure of an association's lien by sale under certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, a unit-owners' association has a lien on a unit for certain amounts due to the association. Generally, the association's lien is prior to all other liens on a unit, except: (1) liens recorded before the recordation of the declaration; (2) the first security interest on the unit; and (3) liens for real estate taxes and other governmental assessments or charges against the unit. However, the association's lien is prior to the first security interest on the unit to the extent of certain maintenance and abatement charges and a certain amount of assessments for common expenses. The portion of the association's lien that is prior to the first security interest is commonly referred to as the "super-priority lien." (NRS 116.3116) Existing law authorizes a unit-owners' association to foreclose its lien through a nonjudicial foreclosure process. (NRS 116.31162-116.31168)

~~[This bill repeals provisions authorizing a unit-owners' association to foreclose its lien through a nonjudicial foreclosure process and removes provisions granting the association's lien priority over other liens and encumbrances. Section 4 of this bill provides that the association may enforce its lien by recording a notice of lien and commencing a judicial action to enforce its lien. Under section 4, the association's lien on a unit has no priority over other liens and encumbrances on the unit that were recorded before the association recorded its notice of lien.] Section 4.7 of this bill provides that after a sale of a unit to enforce the association's lien, the unit's owner or a holder of a security interest on the unit may redeem the unit by paying certain amounts to the purchaser within 60 days after the sale. If the unit's owner redeems the unit, the unit's owner is restored to his or her ownership of the unit. If a holder of a security interest on the unit redeems the unit, that holder is entitled to a deed without warranty which conveys to the holder all title of the unit's owner to the unit. Section 4.7 further provides that upon expiration of the redemption period, any failure to comply with the requirements of existing law for the foreclosure of the association's lien does not affect the rights of a bona fide purchaser or~~

~~encumbrancer for value. Section 8 of this bill provides that the amendatory provisions of~~  
~~section 4 of this bill apply only to the enforcement of the~~ **a sale to enforce an** association's  
lien ~~unless the association has foreclosed its lien by sale~~ **that occurs** on or ~~before June 30,~~  
**after July 1, 2015.**

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

**Section 1.** ~~NRS 116.12075 is hereby amended to read as follows:~~  
~~116.12075 1. The provisions of this chapter do not apply to a nonresidential~~  
~~condominium except to the extent that the declaration for the nonresidential~~  
~~econdominium provides that:~~  
~~(a) This entire chapter applies to the condominium;~~  
~~(b) Only the provisions of NRS 116.001 to 116.2122, inclusive, and 116.3116~~  
~~to 116.31168, inclusive, apply to the condominium; or~~  
~~(c) Only the provisions of NRS 116.3116 to 116.31168, inclusive, apply to~~  
~~the condominium.~~  
~~2. If this entire chapter applies to a nonresidential condominium, the~~  
~~declaration may also require, subject to NRS 116.1112, that:~~  
~~(a) Notwithstanding NRS 116.3105, any management, maintenance operations~~  
~~or employment contract, lease of recreational or parking areas or facilities and any~~  
~~other contract or lease between the association and a declarant or an affiliate of a~~  
~~declarant continues in force after the declarant turns over control of the association;~~  
~~and~~  
~~(b) Notwithstanding NRS 116.1104 and subsection 3 of NRS 116.311,~~  
~~purchasers of units must execute proxies, powers of attorney or similar devices in~~  
~~favor of the declarant regarding particular matters enumerated in those~~  
~~instruments.) (Deleted by amendment.)~~

**Sec. 2.** ~~NRS 116.310312 is hereby amended to read as follows:~~  
~~116.310312 1. A person who holds a security interest in a unit must provide~~  
~~the association with the person's contact information as soon as reasonably~~  
~~practicable, but not later than 30 days after the person:~~  
~~(a) Files an action for recovery of a debt or enforcement of any right secured~~  
~~by the unit pursuant to NRS 40.430; or~~  
~~(b) Records or has recorded on his or her behalf a notice of a breach of~~  
~~obligation secured by the unit and the election to sell or have the unit sold pursuant~~  
~~to NRS 107.080.~~  
~~2. If an action or notice described in subsection 1 has been filed or recorded~~  
~~regarding a unit and the association has provided the unit's owner with notice and~~  
~~an opportunity for a hearing in the manner provided in NRS 116.31031, the~~  
~~association, including its employees, agents and community manager, may, but is~~  
~~not required to, enter the grounds of the unit, whether or not the unit is vacant, to~~  
~~take any of the following actions if the unit's owner refuses or fails to take any~~  
~~action or comply with any requirement imposed on the unit's owner within the time~~  
~~specified by the association as a result of the hearing:~~  
~~(a) Maintain the exterior of the unit in accordance with the standards set forth~~  
~~in the governing documents, including, without limitation, any provisions~~  
~~governing maintenance, standing water or snow removal.~~  
~~(b) Remove or abate a public nuisance on the exterior of the unit which:~~  
~~(1) Is visible from any common area of the community or public streets;~~

~~(2) Threatens the health or safety of the residents of the common interest community;~~

~~(3) Results in blighting or deterioration of the unit or surrounding area; and~~

~~(4) Adversely affects the use and enjoyment of nearby units.~~

~~3. If a unit is vacant and the association has provided the unit's owner with notice and an opportunity for a hearing in the manner provided in NRS 116.31031, the association, including its employees, agents and community manager, may enter the grounds of the unit to maintain the exterior of the unit or abate a public nuisance as described in subsection 2 if the unit's owner refuses or fails to do so.~~

~~4. The association may order that the costs of any maintenance or abatement conducted pursuant to subsection 2 or 3, including, without limitation, reasonable inspection fees, notification and collection costs and interest, be charged against the unit. The association shall keep a record of such costs and interest charged against the unit and has a lien on the unit for any unpaid amount of the charges. [The lien may be foreclosed under NRS 116.31162 to 116.31168, inclusive.]~~

~~5. A lien described in subsection 4 bears interest from the date that the charges become due at a rate determined pursuant to NRS 17.130 until the charges, including all interest due, are paid.~~

~~6. [Except as otherwise provided in this subsection, a lien described in subsection 4 is prior and superior to all liens, claims, encumbrances and titles other than the liens described in paragraphs (a) and (c) of subsection 2 of NRS 116.3116. If the federal regulations of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien, the period during which the lien is prior and superior to other security interests shall be determined in accordance with those federal regulations. Notwithstanding the federal regulations, the period of priority of the lien must not be less than the 6 months immediately preceding the institution of an action to enforce the lien.]~~

~~7.] A person who purchases or acquires a unit at a foreclosure sale pursuant to NRS 40.430 or a trustee's sale pursuant to NRS 107.080 is bound by the governing documents of the association and shall maintain the exterior of the unit in accordance with the governing documents of the association. Such a unit may only be removed from a common interest community in accordance with the governing documents pursuant to this chapter.~~

~~[8.] 7. Notwithstanding any other provision of law, an association, its directors or members of the executive board, employees, agents or community manager who enter the grounds of a unit pursuant to this section are not liable for trespass.~~

~~[9.] 8. As used in this section:~~

~~(a) "Exterior of the unit" includes, without limitation, all landscaping outside of a unit and the exterior of all property exclusively owned by the unit owner.~~

~~(b) "Vacant" means a unit:~~

~~(1) Which reasonably appears to be unoccupied;~~

~~(2) On which the owner has failed to maintain the exterior to the standards set forth in the governing documents the association; and~~

~~(3) On which the owner has failed to pay assessments for more than 60 days.] (Deleted by amendment.)~~

**Sec. 3. [NRS 116.31068 is hereby amended to read as follows:**

~~116.31068 1. Except as otherwise provided in subsection 2, an association shall deliver any notice required to be given by the association under this chapter to any mailing or electronic mail address a unit's owner designates. Except as otherwise provided in subsection 3, if a unit's owner has not designated a mailing or electronic mail address to which a notice must be delivered, the association may deliver notices by:~~

- ~~(a) Hand delivery to each unit's owner;~~  
~~(b) Hand delivery, United States mail, postage paid, or commercially reasonable delivery service to the mailing address of each unit;~~  
~~(c) Electronic means, if the unit's owner has given the association an electronic mail address; or~~  
~~(d) Any other method reasonably calculated to provide notice to the unit's owner.~~

~~2. The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.~~

~~3. The provisions of this section do not apply:~~

- ~~(a) To a notice required to be given pursuant to NRS 116.3116, [to 116.3116, inclusive,] or~~  
~~(b) If any other provision of this chapter specifies the manner in which a notice must be given by an association.]~~ **(Deleted by amendment.)**

**Sec. 4. [NRS 116.3116 is hereby amended to read as follows:**

~~116.3116 1. The association has a lien on a unit for any construction penalty that is imposed against the unit's owner pursuant to NRS 116.310305, any assessment levied against that unit or any fines imposed against the unit's owner from the time the construction penalty, assessment or fine becomes due. Unless the declaration otherwise provides, any penalties, fees, charges, late charges, fines and interest charged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS 116.3102 are enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.~~

~~2. A lien under this section is prior to all other liens and encumbrances on a unit except:~~

~~(a) Liens and encumbrances recorded before the recordation of the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes or takes subject to;~~

~~(b) A first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent or, in a cooperative, the first security interest encumbering only the unit's owner's interest and perfected before the date on which the assessment sought to be enforced became delinquent; and~~

~~(c) Liens for real estate taxes and other governmental assessments or charges against the unit or cooperative.~~

~~3. The lien is also prior to all security interests described in paragraph (b) to the extent of any charges incurred by the association on a unit pursuant to NRS 116.310312 and to the extent of the assessments for common expenses based on the periodic budget adopted by the association pursuant to NRS 116.3115 which would have become due in the absence of acceleration during the 9 months immediately preceding institution of an action to enforce the lien, unless federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien. If federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien, the period during which the lien is prior to all security interests described in paragraph (b) must be determined in accordance with those federal regulations, except that notwithstanding the provisions of the federal regulations, the period of priority for the lien must not be less than the 6 months immediately preceding institution of an action to enforce the lien. This subsection does not affect the priority of mechanics' or materialmen's liens, or the priority of liens for other assessments made by the association.~~

~~2. The holder of the security interest described in paragraph (b) of subsection 2 or the holder's authorized agent may establish an escrow account, loan trust account or other impound account for advance contributions for the payment of assessments for common expenses based on the periodic budget adopted by the association pursuant to NRS 116.2115 if the unit's owner and the holder of that security interest consent to the establishment of such an account. If such an account is established, payments from the account for assessments for common expenses must be made in accordance with the same due dates as apply to payments of such assessments by a unit's owner.~~

~~4. Unless the declaration otherwise provides, if two or more associations have liens for assessments created at any time on the same property, those liens have equal priority.~~

~~5. Recording of the declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this section is required.~~

~~6. To perfect its lien, the association must record a notice of lien in the office of the county recorder of the county in which the unit or some part thereof is located. An association may not record a notice of lien unless the amounts listed in subsection 1 are more than 90 days past due.~~

~~3. A notice of lien recorded pursuant to subsection 2 must be verified by the oath of the person designated in the declaration or by the association for that purpose or, if no one is designated, by the president of the association, and must contain:~~

~~(a) A statement of the amount of the association's lien;~~

~~(b) The name and last known address of the record owner of the unit; and~~

~~(c) A description of the unit against which the lien is imposed.~~

~~4. The association shall serve a copy of the notice of lien upon the unit's owner not later than 30 days after recording the notice of lien pursuant to subsection 2 by:~~

~~(a) Personally delivering a copy of the notice of lien to the unit's owner; or~~

~~(b) Mailing a copy of the notice of lien to the unit's owner or his or her successor in interest by certified mail, return receipt requested, at his or her address, if known, and at the address of the unit.~~

~~5. Not earlier than 90 days after the date on which a copy of the notice of lien is served on the unit's owner pursuant to subsection 4, a notice of lien under this section may be enforced by an action in any court of competent jurisdiction that is located within the county where the unit subject to the notice of lien or any portion thereof is located, on setting out in the complaint the particulars of the demand, with a description of the unit to be charged with the lien. At the time of filing the complaint and issuing the summons, the association or other person authorized by the association to enforce the lien shall file a notice of pendency of the action in the manner provided in NRS 11.010.~~

~~6. In an action to enforce a lien under this section, the court shall:~~

~~(a) Enter judgment according to the right of the parties;~~

~~(b) Upon ascertaining the amount of the association's lien under this section, cause the property to be sold in satisfaction of the lien and costs of sale. An association in whose favor judgment may be rendered may cause the unit to be sold within the time and in the manner provided for sales on execution, issued out of any district court, for the sale of real property.~~

~~7. If the proceeds of a sale pursuant to subsection 6, after payment of the costs of sale, are not sufficient to satisfy the association's lien, the association is entitled to a personal judgment for the amount remaining due against the unit's~~

~~owner. If the proceeds of the sale amount to more than the association's lien and the cost of sale, the remainder must be paid over to the unit's owner.~~

~~8. As soon as practicable, but not later than 10 days after a notice of lien upon a unit is fully satisfied or discharged, the association shall cause to be recorded a discharge or release of the notice of lien. If the association fails to comply with this section, the association is liable in a civil action to the unit's owner or his or her successor in interest for any actual damages caused by the association's failure to comply with the provisions of this subsection or \$100, whichever is greater, and for reasonable attorney's fees and the costs of bringing the action.~~

~~9. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are [instituted] commenced in a court of competent jurisdiction within 3 years after the full amount of the assessments becomes due.~~

~~7.] 1 year after the date on which the notice of lien is recorded pursuant to subsection 2.~~

~~10. This section does not prohibit [actions to] an association from bringing or maintaining a civil action to recover sums for which subsection 1 creates a lien, for prohibit an association from taking a deed in lieu of foreclosure.~~

~~8. A judgment or decree in any action brought under this section must include costs and reasonable attorney's fees for the prevailing party.~~

~~9.] 11. The association, upon written request, shall furnish to a unit's owner a statement setting forth the amount of unpaid assessments against the unit. If the interest of the unit's owner is real estate, [or if a lien for the unpaid assessments may be foreclosed under NRS 116.31162 to 116.31168, inclusive,] the statement must be in recordable form. The statement must be furnished within 10 business days after receipt of the request and is binding on the association, the executive board and every unit's owner.~~

~~[10.] 12. In a cooperative, upon nonpayment of an assessment on a unit, the unit's owner may be evicted in the same manner as provided by law in the case of an unlawful holdover by a commercial tenant, and:~~

~~(a) In a cooperative where the owner's interest in a unit is real estate under NRS 116.1105, the association's lien may be [foreclosed under NRS 116.31162 to 116.31168, inclusive,] enforced pursuant to this section;~~

~~(b) In a cooperative where the owner's interest in a unit is personal property under NRS 116.1105, the association's lien [;~~

~~(1) May] may be foreclosed as a security interest under NRS 104.9101 to 104.9709, inclusive, [; or~~

~~(2) If the declaration so provides, may be foreclosed under NRS 116.31162 to 116.31168, inclusive;~~

~~11.] 13. In an action by an association to collect assessments or to [foreclose] enforce a lien created under this section, the court may appoint a receiver to collect all rents or other income from the unit alleged to be due and owing to a unit's owner before commencement or during pendency of the action. The receivership is governed by chapter 22 of NRS. The court may order the receiver to pay any sums held by the receiver to the association during pendency of the action to the extent of the association's common expense assessments based on a periodic budget adopted by the association pursuant to NRS 116.3115.] (Deleted by amendment.)~~

**Sec. 4.3. NRS 116.31164 is hereby amended to read as follows:**

116.31164 1. The sale must be conducted in the county in which the common-interest community or part of it is situated, and may be conducted by the association, its agent or attorney, or a title insurance company or escrow agent licensed to do business in this State, except that the sale may be made at the office of the association if the notice of the sale so provided, whether the unit is located

1 within the same county as the office of the association or not. The association or  
2 other person conducting the sale may from time to time postpone the sale by such  
3 advertisement and notice as it considers reasonable or, without further  
4 advertisement or notice, by proclamation made to the persons assembled at the time  
5 and place previously set and advertised for the sale.

6 2. On the day of sale originally advertised or to which the sale is postponed,  
7 at the time and place specified in the notice or postponement, the person conducting  
8 the sale may sell the unit at public auction to the highest cash bidder. Unless  
9 otherwise provided in the declaration or by agreement, the association may  
10 purchase the unit and hold, lease, mortgage or convey it. The association may  
11 purchase by a credit bid up to the amount of the unpaid assessments and any  
12 permitted costs, fees and expenses incident to the enforcement of its lien.

13 3. After the sale, the person conducting the sale shall:

14 (a) ~~Make, execute and, after payment is made, deliver to the purchaser, or his~~  
15 ~~or her successor or assign, a deed without warranty which conveys to the grantee all~~  
16 ~~title of the unit's owner to the unit;~~

17 ~~(b) Deliver a copy of the deed to the Ombudsman within 30 days after the deed~~  
18 ~~is delivered to the purchaser, or his or her successor or assign; and~~

19 ~~(c) Comply with the provisions of subsection 2 of NRS 116.3116; and~~

20 (b) Apply the proceeds of the sale for the following purposes in the following  
21 order:

22 (1) The reasonable expenses of sale;

23 (2) The reasonable expenses of securing possession before sale, holding,  
24 maintaining, and preparing the unit for sale, including payment of taxes and other  
25 governmental charges, premiums on hazard and liability insurance, and, to the  
26 extent provided for by the declaration, reasonable attorney's fees and other legal  
27 expenses incurred by the association;

28 (3) Satisfaction of the association's lien;

29 (4) Satisfaction in the order of priority of any subordinate claim of record;

30 and

31 (5) Remittance of any excess to the unit's owner.

32 **Sec. 4.7. NRS 116.31166 is hereby amended to read as follows:**

33 116.31166 1. Every sale of a unit pursuant to NRS 116.31162 to  
34 116.31168, inclusive, vests in the purchaser the title of the unit's owner subject to  
35 the right of redemption provided by this section.

36 2. After the sale conducted pursuant to NRS 116.31164, the person  
37 conducting the sale shall:

38 (a) Give to the purchaser a certificate of the sale containing:

39 (1) A particular description of the unit sold;

40 (2) The price bid for the unit;

41 (3) The whole price paid; and

42 (4) A statement that the unit is subject to redemption; and

43 (b) Record a copy of the certificate in the office of the county recorder of the  
44 county in which the unit or part of it is located.

45 3. A unit sold pursuant to NRS 116.31162 to 116.31168, inclusive, may be  
46 redeemed by the unit's owner whose interest in the unit was extinguished by the  
47 sale, or his or her successor in interest, or any holder of a recorded security  
48 interest that is subordinate to the lien on which the unit was sold, or that holder's  
49 successor in interest. The unit's owner whose interest in the unit was  
50 extinguished, the holder of the recorded security interest on the unit or a  
51 successor in interest of those persons may redeem the property at any time within  
52 60 days after the sale by paying:



1 (a) The purchaser the amount of his or her purchase price, with interest at  
2 the rate of 1 percent per month thereon in addition, to the time of redemption,  
3 plus:

4 (1) The amount of any assessment paid to the association by the  
5 purchaser before the redemption;

6 (2) The amount of any assessment, taxes or payments toward liens which  
7 were created before the purchase and which the purchaser may have paid  
8 thereon after the purchase, and interest on such amount;

9 (3) If the purchaser is also a creditor having a prior lien to that of the  
10 redemption, other than the association's lien under which the purchase was  
11 made, the amount of such lien, and interest on such amount; and

12 (4) Any reasonable amount expended by the purchaser which is  
13 reasonably necessary to maintain and repair the unit in accordance with the  
14 standards set forth in the governing documents, including, without limitation,  
15 any provisions governing maintenance, standing water or snow removal.

16 (b) The association the amount of any assessments not paid to the  
17 association after the purchase and before the redemption.

18 (c) If the redemptioner is the holder of a recorded security interest on the  
19 unit or the holder's successor in interest, the amount of any lien before his or her  
20 own lien, with interest, but the association's lien under which the unit was sold is  
21 not required to be so paid as a lien.

22 4. Notice of redemption must be served by the person redeeming the unit on  
23 the person who conducted the sale and on the person from whom the unit is  
24 redeemed, together with:

25 (a) If the person redeeming the unit is the unit's owner whose interest in the  
26 unit was extinguished by the sale or his or her successor in interest, a certified  
27 copy of the deed to the unit and, if the person redeeming the unit is the successor  
28 of that unit's owner, a copy of any document necessary to establish that the  
29 person is the successor of the unit's owner.

30 (b) If the person redeeming the unit is the holder of a recorded security  
31 interest on the unit or the holder's successor in interest:

32 (1) An original or certified copy of the deed of trust securing the unit or a  
33 certified copy of any other recorded security interest of the holder.

34 (2) A copy of any assignment necessary to establish the claim of the  
35 person redeeming the unit, verified by the affidavit of that person, or that  
36 person's agent, or of a subscribing witness thereto.

37 (3) An affidavit by the person redeeming the unit, or that person's agent,  
38 showing the amount then actually due on the lien.

39 5. If the unit's owner whose interest in the unit was extinguished by the sale  
40 redeems the property as provided in this section:

41 (a) The effect of the sale is terminated, and the unit's owner is restored to his  
42 or her interest in the unit, subject to any security interest on the unit that existed  
43 at the time of sale; and

44 (b) The person to whom the redemption amount was paid must execute and  
45 deliver to the unit's owner a certificate of redemption, acknowledged or approved  
46 before a person authorized to take acknowledgments of conveyances of real  
47 property, and the certificate must be recorded in the office of the recorder of the  
48 county in which the unit or part of the unit is situated.

49 6. If the holder of a recorded security interest redeems the unit as provided  
50 in this section and the period for a redemption set forth in subsection 3 has  
51 expired, the person conducting the sale shall:

52 (a) Make, execute and, if the amount required to redeem the unit is paid to  
53 the person from whom the unit is redeemed, deliver to the person who redeemed

the unit or his or her successor or assign, a deed without warranty which conveys to the person who redeemed the unit all title of the unit's owner to the unit; and

(b) Deliver a copy of the deed to the Ombudsman within 30 days after the deed is delivered to the person who redeemed the unit, or his or her successor or assign.

7. If no redemption is made within 60 days after the date of sale, the person conducting the sale shall:

(a) Make, execute and, if payment is made, deliver to the purchaser, or his or her successor or assign, a deed without warranty which conveys to the purchaser all title of the unit's owner to the unit; and

(b) Deliver a copy of the deed to the Ombudsman within 30 days after the deed is delivered to the purchaser, or his or her successor or assign.

8. The recitals in a deed made pursuant to ~~NRS 116.31164~~ subsection 6 or 7 of:

(a) Default, the mailing of the notice of delinquent assessment, and the mailing and recording of the notice of default and election to sell;

(b) The elapsing of the ~~90 days;~~ 90-day period set forth in paragraph (c) of subsection 1 of NRS 116.31162; and

(c) The giving of notice of sale,  
~~are~~ are conclusive proof of the matters recited.

~~12. Such a~~

9. A deed containing ~~those~~ the recitals set forth in subsection 8 is conclusive against the unit's former owner, his or her heirs and assigns, and all other persons. The receipt for the purchase money contained in such a deed is sufficient to discharge the purchaser from obligation to see to the proper application of the purchase money.

~~12. The sale of a unit pursuant to NRS 116.31162, 116.31163 and 116.31164 vests in the purchaser the title of the unit's owner without equity or right of redemption.]~~

10. Upon the expiration of the redemption period set forth in subsection 3, any failure to comply with the provisions of NRS 116.3116 to 116.31168, inclusive, does not affect the rights of a bona fide purchaser or bona fide encumbrancer for value.

Sec. 5. ~~NRS 116.4105 is hereby amended to read as follows:~~

~~116.4105 If the declaration provides that ownership or occupancy of any units, is or may be in time shares, the public offering statement shall disclose, in addition to the information required by NRS 116.4103 and 116.41035:~~

~~1. The number and identity of units in which time shares may be created;~~

~~2. The total number of time shares that may be created;~~

~~3. The minimum duration of any time shares that may be created; and~~

~~4. The extent to which the creation of time shares will or may affect the enforceability of the association's lien for assessments provided in NRS 116.3116, and 116.31162.]) (Deleted by amendment.)~~

Sec. 6. ~~NRS 278A.170 is hereby amended to read as follows:~~

~~278A.170 The procedures for enforcing payment of an assessment for the maintenance of common open space provided in NRS 116.3116 [to 116.31168, inclusive,] are also available to any organization for the ownership and maintenance of common open space established other than under this chapter or chapter 116 of NRS and entitled to receive payments from owners of property for such maintenance under a recorded declaration of restrictions, deed restriction, restrictive covenant or equitable servitude which provides that any reasonable and ratable assessment thereon for the organization's costs of maintaining the common~~

open space constitutes a lien or encumbrance upon the property.] (Deleted by amendment.)

Sec. 7. ~~NRS 649.020 is hereby amended to read as follows:~~

~~649.020 1. "Collection agency" means all persons engaging, directly or indirectly, and as a primary or a secondary object, business or pursuit, in the collection of or in soliciting or obtaining in any manner the payment of a claim owed or due or asserted to be owed or due to another.~~

~~2. "Collection agency" does not include any of the following unless they are conducting collection agencies:~~

~~(a) Individuals regularly employed on a regular wage or salary, in the capacity of credit men or in other similar capacity upon the staff of employees of any person not engaged in the business of a collection agency or making or attempting to make collections as an incident to the usual practices of their primary business or profession.~~

~~(b) Banks.~~

~~(c) Nonprofit cooperative associations.~~

~~(d) Unit owners' associations and the board members, officers, employees and units' owners of those associations when acting under the authority of and in accordance with chapter 116 or 116B of NRS and the governing documents of the association, except for those community managers included within the term "collection agency" pursuant to subsection 2.~~

~~(e) Abstract companies doing an escrow business.~~

~~(f) Duly licensed real estate brokers, except for those real estate brokers who are community managers included within the term "collection agency" pursuant to subsection 2.~~

~~(g) Attorneys and counselors at law licensed to practice in this State, so long as they are retained by their clients to collect or to solicit or obtain payment of such clients' claims in the usual course of the practice of their profession.~~

~~3. "Collection agency":~~

~~(a) Includes a community manager while engaged in the management of a common interest community or the management of an association of a condominium hotel if the community manager, or any employee, agent or affiliate of the community manager, performs or offers to perform any act associated with the [foreclosure] **enforcement** of a lien pursuant to NRS [116.31162 to 116.31168, inclusive,] **116.3116 or the foreclosure of a lien pursuant to NRS 116B.635 to 116B.660, inclusive, and**~~

~~(b) Does not include any other community manager while engaged in the management of a common interest community or the management of an association of a condominium hotel.~~

~~4. As used in this section:~~

~~(a) "Community manager" has the meaning ascribed to it in NRS 116.023 or 116B.050.~~

~~(b) "Unit owners' association" has the meaning ascribed to it in NRS 116.011 or 116B.030.] (Deleted by amendment.)~~

Sec. 8. The amendatory provisions of NRS ~~[116.3116,] 116.31164 and 116.31166~~, as amended by ~~[section 4,] sections 4.3 and 4.7~~ of this act, apply ~~to the enforcement of a lien of a unit owner's association pursuant to that section unless the association has foreclosed its lien by]~~ only to a sale of a unit pursuant to NRS 116.3116 to 116.31168, inclusive, as amended by sections 4.3 and 4.7 of this act, that occurs on or ~~[before June 30,] after July 1, 2015.~~

Sec. 9. ~~NRS 116.31162, 116.31163, 116.311635, 116.31164, 116.31166 and 116.31168 are hereby repealed.] (Deleted by amendment.)~~

Sec. 10. This act becomes effective on July 1, 2015.

†

---

---

#### LEADLINES OF REPEALED SECTIONS

---

---

~~116.31162 Foreclosure of liens: Mailing of notice of delinquent assessment; recording of notice of default and election to sell; period during which unit's owner may pay lien to avoid foreclosure; limitations on type of lien that may be foreclosed.~~

~~116.31163 Foreclosure of liens: Mailing of notice of default and election to sell to certain interested persons.~~

~~116.311635 Foreclosure of liens: Providing notice of time and place of sale; service of notice of sale; contents of notice of sale; proof of service.~~

~~116.31164 Foreclosure of liens: Procedure for conducting sale; purchase of unit by association; execution and delivery of deed; use of proceeds of sale.~~

~~116.31166 Foreclosure of liens: Effect of recitals in deed; purchaser not responsible for proper application of purchase money; title vested in purchaser without equity or right of redemption.~~

~~116.31168 Foreclosure of liens: Requests by interested persons for notice of default and election to sell; right of association to waive default and withdraw notice or proceeding to foreclose.]~~