

ASSEMBLY BILL NO. 335—ASSEMBLYWOMAN JAUREGUI

MARCH 18, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to real property.
(BDR 10-287)

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

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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 real property; revising provisions relating to the fees that a unit-owners' association for a common-interest community or condominium hotel may charge for certain services; revising provisions relating to the resale of a unit in a common-interest community or condominium hotel; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a unit-owners' association for a common-interest community or condominium hotel to charge certain fees for performing certain services. (NRS 116.3102, 116B.420) **Sections 1 and 4** of this bill authorize an association to impose a fee for opening or closing any file for each unit.

Existing law requires a unit's owner in a common-interest community or condominium hotel to furnish to a prospective buyer a resale package containing certain information. (NRS 116.4109, 116B.760) **Sections 3 and 5** of this bill: (1) specify that certain periods for taking certain actions relating to the resale package must be measured in calendar days; (2) establish certain caps on fees that may be charged for certain services relating to the resale package; and (3) provide that the resale package remains effective for 90 calendar days. **Section 3** also requires an association for a common-interest community to provide a copy of a statement of demand to all interested parties not later than 10 calendar days after receipt of a written request to do so.

Sections 2 and 6 of this bill make conforming changes.



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

Section 1. NRS 116.3102 is hereby amended to read as follows:

116.3102 1. Except as otherwise provided in this chapter, and subject to the provisions of the declaration, the association:

(a) Shall adopt and, except as otherwise provided in the bylaws, may amend bylaws and may adopt and amend rules and regulations.

(b) Shall adopt and may amend budgets in accordance with the requirements set forth in NRS 116.31151, may collect assessments for common expenses from the units' owners and may invest funds of the association in accordance with the requirements set forth in NRS 116.311395.

(c) May hire and discharge managing agents and other employees, agents and independent contractors.

(d) May institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or two or more units' owners on matters affecting the common-interest community. The association may not institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or units' owners with respect to an action for a constructional defect pursuant to NRS 40.600 to 40.695, inclusive, unless the action pertains exclusively to common elements.

(e) May make contracts and incur liabilities. Any contract between the association and a private entity for the furnishing of goods or services must not include a provision granting the private entity the right of first refusal with respect to extension or renewal of the contract.

(f) May regulate the use, maintenance, repair, replacement and modification of common elements.

(g) May cause additional improvements to be made as a part of the common elements.

(h) May acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property, but:

(1) Common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to NRS 116.3112; and

(2) Part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to NRS 116.3112.

(i) May grant easements, leases, licenses and concessions through or over the common elements.



(j) May impose and receive any payments, fees or charges for the use, rental or operation of the common elements, other than limited common elements described in subsections 2 and 4 of NRS 116.2102, and for services provided to the units' owners, including, without limitation, any services provided pursuant to NRS 116.310312.

(k) May impose charges for late payment of assessments pursuant to NRS 116.3115.

(l) May impose construction penalties when authorized pursuant to NRS 116.310305.

(m) May impose reasonable fines for violations of the governing documents of the association only if the association complies with the requirements set forth in NRS 116.31031.

(n) May impose reasonable charges for the preparation and recordation of any amendments to the declaration or any statements of unpaid assessments, and impose reasonable fees, not to exceed the amounts authorized by NRS 116.4109, for preparing and furnishing the documents and certificate required by that section.

(o) *May impose a reasonable fee for opening or closing any file for each unit. Such a fee must be based on the actual cost the association incurs to open or close any file. The Commission shall adopt regulations establishing the maximum amount of the fee that an association may charge pursuant to this paragraph, which must not exceed \$350.*

(p) May provide for the indemnification of its officers and executive board and maintain directors and officers liability insurance.

~~((q))~~ (q) May assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.

~~((q))~~ (r) May exercise any other powers conferred by the declaration or bylaws.

~~((s))~~ (s) May exercise all other powers that may be exercised in this State by legal entities of the same type as the association.

~~((s))~~ (t) May direct the removal of vehicles improperly parked on property owned or leased by the association, as authorized pursuant to NRS 487.038, or improperly parked on any road, street, alley or other thoroughfare within the common-interest community in violation of the governing documents. In addition to complying with the requirements of NRS 487.038 and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, unless the vehicle:



(1) Is blocking a fire hydrant, fire lane or parking space designated for the handicapped; or

(2) Poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.

~~(((u)))~~ (u) May exercise any other powers necessary and proper for the governance and operation of the association.

2. The declaration may not limit the power of the association to deal with the declarant if the limit is more restrictive than the limit imposed on the power of the association to deal with other persons.

3. The executive board may determine whether to take enforcement action by exercising the association's power to impose sanctions or commence an action for a violation of the declaration, bylaws or rules, including whether to compromise any claim for unpaid assessments or other claim made by or against it. The executive board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

(a) The association's legal position does not justify taking any or further enforcement action;

(b) The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with current law;

(c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or

(d) It is not in the association's best interests to pursue an enforcement action.

4. The executive board's decision under subsection 3 not to pursue enforcement under one set of circumstances does not prevent the executive board from taking enforcement action under another set of circumstances, but the executive board may not be arbitrary or capricious in taking enforcement action.

5. Notwithstanding any provision of this chapter or the governing documents to the contrary, an association may not impose any assessment pursuant to this chapter or the governing documents on the owner of any property in the common-interest community that is exempt from taxation pursuant to NRS 361.125. For the purposes of this subsection, "assessment" does not include any charge for any utility services, including, without limitation, telecommunications, broadband communications, cable television, electricity, natural gas, sewer services, garbage collection, water or for any other service which is delivered to and used or consumed directly by the property in the common-interest community that is exempt from taxation pursuant to NRS 361.125.



Sec. 2. 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)~~ (o), inclusive, of subsection 1 of NRS 116.3102 and any costs of collecting a past due obligation charged pursuant to NRS 116.310313 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, except that a lien under this section is prior to a security interest described in this paragraph to the extent set forth in subsection 3;

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

(d) Liens for any fee or charge levied pursuant to subsection 1 of NRS 444.520.

3. A lien under this section is prior to all security interests described in paragraph (b) of subsection 2 to the extent of:

(a) Any charges incurred by the association on a unit pursuant to NRS 116.310312;

(b) The unpaid amount of assessments, not to exceed an amount equal to 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 the date on which the notice of default and election to sell is recorded pursuant to paragraph (b) of subsection 1 of NRS 116.31162; and

(c) The costs incurred by the association to enforce the lien in an amount not to exceed the amounts set forth in subsection 5,

↳ unless federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage



1 Association require a shorter period of priority for the lien. If federal
2 regulations adopted by the Federal Home Loan Mortgage
3 Corporation or the Federal National Mortgage Association require a
4 shorter period of priority for the lien, the period during which the
5 lien is prior to all security interests described in paragraph (b) of
6 subsection 2 must be determined in accordance with those federal
7 regulations, except that notwithstanding the provisions of the federal
8 regulations, the period of priority for the lien must not be less than
9 the 6 months immediately preceding the recording of a notice of
10 default and election to sell pursuant to paragraph (b) of subsection 1
11 of NRS 116.31162 or the institution of a judicial action to enforce
12 the lien.

13 4. This section does not affect the priority of mechanics' or
14 materialmen's liens, or the priority of liens for other assessments
15 made by the association.

16 5. The amount of the costs of enforcing the association's lien
17 that are prior to the security interest described in paragraph (b) of
18 subsection 2 must not exceed the actual costs incurred by the
19 association, must not include more than one trustee's sale guaranty
20 and must not exceed:

- 21 (a) For a demand or intent to lien letter, \$150.
- 22 (b) For a notice of delinquent assessment, \$325.
- 23 (c) For an intent to record a notice of default letter, \$90.
- 24 (d) For a notice of default, \$400.
- 25 (e) For a trustee's sale guaranty, \$400.

26 ➡ No costs of enforcing the association's lien, other than the costs
27 described in this subsection, and no amount of attorney's fees may
28 be included in the amount of the association's lien that is prior to the
29 security interest described in paragraph (b) of subsection 2.

30 6. Notwithstanding any other provision of law, an association,
31 or member of the executive board, officer, employee or unit's owner
32 of the association, acting under the authority of this chapter or the
33 governing documents of the association, or the community manager
34 of the association, or any employee, agent or affiliate of the
35 community manager, while engaged in the management of the
36 common-interest community governed by the association, is not
37 required to be licensed as a collection agency pursuant to chapter
38 649 of NRS or hire or contract with a collection agency licensed
39 pursuant to chapter 649 of NRS to collect amounts due to the
40 association in accordance with subsection 1 before the recording of
41 a notice of default and election to sell pursuant to paragraph (b) of
42 subsection 1 of NRS 116.31162.

43 7. The holder of the security interest described in paragraph (b)
44 of subsection 2 or the holder's authorized agent may establish an
45 escrow account, loan trust account or other impound account for



1 advance contributions for the payment of assessments for common
2 expenses based on the periodic budget adopted by the association
3 pursuant to NRS 116.3115 if the unit's owner and the holder of that
4 security interest consent to the establishment of such an account. If
5 such an account is established, payments from the account for
6 assessments for common expenses must be made in accordance with
7 the same due dates as apply to payments of such assessments by a
8 unit's owner.

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

12 9. Recording of the declaration constitutes record notice and
13 perfection of the lien. No further recordation of any claim of lien for
14 assessment under this section is required.

15 10. A lien for unpaid assessments is extinguished unless a
16 notice of default and election to sell is recorded as required by
17 paragraph (b) of subsection 1 of NRS 116.31162, or judicial
18 proceedings to enforce the lien are instituted, within 3 years after the
19 full amount of the assessments becomes due.

20 11. This section does not prohibit actions to recover sums for
21 which subsection 1 creates a lien or prohibit an association from
22 taking a deed in lieu of foreclosure.

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

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

34 14. In a cooperative, upon nonpayment of an assessment on a
35 unit, the unit's owner may be evicted in the same manner as
36 provided by law in the case of an unlawful holdover by a
37 commercial tenant, and:

38 (a) In a cooperative where the owner's interest in a unit is real
39 estate under NRS 116.1105, the association's lien may be foreclosed
40 under NRS 116.31162 to 116.31168, inclusive.

41 (b) In a cooperative where the owner's interest in a unit is
42 personal property under NRS 116.1105, the association's lien:

43 (1) May be foreclosed as a security interest under NRS
44 104.9101 to 104.9709, inclusive; or



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

15. In an action by an association to collect assessments or to foreclose 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 32 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.

16. Notwithstanding any other provision of law, any payment of an amount due to an association in accordance with subsection 1 by the holder of any lien or encumbrance on a unit that is subordinate to the association's lien under this section becomes a debt due from the unit's owner to the holder of the lien or encumbrance.

Sec. 3. NRS 116.4109 is hereby amended to read as follows:

116.4109 1. Except in the case of a sale in which delivery of a public offering statement is required, or unless exempt under subsection 2 of NRS 116.4101, a unit's owner or his or her authorized agent shall, at the expense of the unit's owner, furnish to a purchaser a resale package containing all of the following:

(a) A copy of the declaration, other than any plats, the bylaws, the rules or regulations of the association and the information statement required by NRS 116.41095.

(b) A statement from the association setting forth the amount of the monthly assessment for common expenses and any unpaid obligation of any kind, including, without limitation, management fees, transfer fees, fines, penalties, interest, collection costs, foreclosure fees and attorney's fees currently due from the selling unit's owner.

(c) A copy of the current operating budget of the association and current year-to-date financial statement for the association, which must include a summary of the reserves of the association required by NRS 116.31152 and which must include, without limitation, a summary of the information described in paragraphs (a) to (e), inclusive, of subsection 3 of NRS 116.31152.

(d) A statement of any unsatisfied judgments or pending legal actions against the association and the status of any pending legal actions relating to the common-interest community of which the unit's owner has actual knowledge.

(e) A statement of any transfer fees, transaction fees or any other fees associated with the resale of a unit.



(f) In addition to any other document, a statement describing all current and expected fees or charges for each unit, including, without limitation, association fees, fines, assessments, late charges or penalties, interest rates on delinquent assessments, additional costs for collecting past due fines and charges for opening or closing any file for each unit.

2. The purchaser may, by written notice, cancel the contract of purchase until midnight of the fifth calendar day following the date of receipt of the resale package described in subsection 1, and the contract for purchase must contain a provision to that effect. If the purchaser elects to cancel a contract pursuant to this subsection, the purchaser must hand deliver the notice of cancellation to the unit's owner or his or her authorized agent, mail the notice of cancellation by prepaid United States mail to the unit's owner or his or her authorized agent or deliver the notice of cancellation by electronic transmission to the unit's owner or his or her authorized agent. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded promptly. If the purchaser has accepted a conveyance of the unit, the purchaser is not entitled to:

(a) Cancel the contract pursuant to this subsection; or

(b) Damages, rescission or other relief based solely on the ground that the unit's owner or his or her authorized agent failed to furnish the resale package, or any portion thereof, as required by this section.

3. Within 10 *calendar* days after receipt of a written request by a unit's owner or his or her authorized agent, the association shall furnish all of the following to the unit's owner or his or her authorized agent for inclusion in the resale package:

(a) Copies of the documents required pursuant to paragraphs (a) and (c) of subsection 1; and

(b) A certificate containing the information necessary to enable the unit's owner to comply with paragraphs (b), (d), (e) and (f) of subsection 1.

4. If the association furnishes the documents and certificate pursuant to subsection 3:

(a) The unit's owner or his or her authorized agent shall include the documents and certificate in the resale package provided to the purchaser, and neither the unit's owner nor his or her authorized agent is liable to the purchaser for any erroneous information provided by the association and included in the documents and certificate.

(b) The association may charge the unit's owner a reasonable fee to cover the cost of preparing the certificate furnished pursuant to subsection 3. Such a fee must be based on the actual cost the



association incurs to fulfill the requirements of this section in preparing the certificate. The Commission shall adopt regulations establishing the maximum amount of the fee that an association may charge for preparing the certificate ~~[-]~~, *which must not exceed \$185, except that if a unit's owner or an authorized agent thereof requests that the certificate be furnished sooner than 3 business days after the date of the request, the association may charge a fee of up to the maximum amount established by the Commission to expedite the preparation of the certificate.*

(c) The other documents furnished pursuant to subsection 3 must be provided in electronic format to the unit's owner. The association may charge the unit's owner a fee, not to exceed \$20, to provide such documents in electronic format. If the association is unable to provide such documents in electronic format, the association may charge the unit's owner a reasonable fee, not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter, to cover the cost of copying.

(d) Except for the fees allowed pursuant to paragraphs (b) and (c), the association may not charge the unit's owner any other fees for preparing or furnishing the documents and certificate pursuant to subsection 3.

5. Neither a purchaser nor the purchaser's interest in a unit is liable for any unpaid assessment or fee greater than the amount set forth in the documents and certificate prepared by the association. If the association fails to furnish the documents and certificate within the 10 *calendar* days allowed by this section, the purchaser is not liable for the delinquent assessment. *A resale package provided to a unit's owner or his or her authorized agent pursuant to this section remains effective for 90 calendar days.*

6. Upon the request of a unit's owner or his or her authorized agent, or upon the request of a purchaser to whom the unit's owner has provided a resale package pursuant to this section or his or her authorized agent, the association shall make the entire study of the reserves of the association which is required by NRS 116.31152 reasonably available for the unit's owner, purchaser or authorized agent to inspect, examine, photocopy and audit. The study must be made available at the business office of the association or some other suitable location within the county where the common-interest community is situated or, if it is situated in more than one county, within one of those counties.

7. A unit's owner, the authorized agent of the unit's owner or the holder of a security interest on the unit may request a statement of demand from the association. Not later than 10 *calendar* days after receipt of a written request from the unit's owner, the authorized agent of the unit's owner or the holder of a security



1 interest on the unit for a statement of demand, the association shall
2 furnish a statement of demand to the person who requested the
3 statement ~~[-]~~ *and provide a copy of the statement to all interested*
4 *parties.* The association may charge a fee of not more than ~~[\$150]~~
5 *\$165* to prepare and furnish a statement of demand pursuant to this
6 subsection and an additional fee of not more than \$100 to furnish a
7 statement of demand within 3 *calendar* days after receipt of a
8 written request for a statement of demand. The statement of
9 demand:

10 (a) Must set forth the amount of the monthly assessment for
11 common expenses and any unpaid obligation of any kind, including,
12 without limitation, management fees, transfer fees, fines, penalties,
13 interest, collection costs, foreclosure fees and attorney's fees
14 currently due from the selling unit's owner; and

15 (b) Remains effective for the period specified in the statement of
16 demand, which must not be less than 15 business days after the date
17 of delivery by the association to the unit's owner, the authorized
18 agent of the unit's owner or the holder of a security interest on the
19 unit, whichever is applicable.

20 *↪ As used in this subsection, "interested parties" includes the*
21 *unit's owner selling the unit, the prospective purchaser of the unit*
22 *and all other persons known to the association who have a*
23 *financial interest in the potential sale of the unit.*

24 8. If the association becomes aware of an error in a statement
25 of demand furnished pursuant to subsection 7 during the period in
26 which the statement of demand is effective but before the
27 consummation of a resale for which a resale package was furnished
28 pursuant to subsection 1, the association must deliver a replacement
29 statement of demand to the person who requested the statement of
30 demand. Unless the person who requested the statement of demand
31 receives a replacement statement of demand, the person may rely
32 upon the accuracy of the information set forth in the statement of
33 demand provided by the association for the resale. Payment of the
34 amount set forth in the statement of demand constitutes full payment
35 of the amount due from the selling unit's owner.

36 **Sec. 4.** NRS 116B.420 is hereby amended to read as follows:

37 116B.420 Subject to the provisions of the declaration, the
38 association:

39 1. Shall adopt and, except as otherwise provided in the bylaws,
40 may amend bylaws and may adopt and amend rules and regulations
41 pertaining to the common elements. Unless otherwise provided in
42 the declaration, bylaws, rules or regulations adopted by the
43 association must not attempt to exercise any control over the hotel
44 unit or the shared components.



2. Shall adopt and may amend budgets in accordance with the requirements set forth in NRS 116B.600, may collect assessments for common expenses from the units' owners and may invest funds of the association in accordance with the requirements set forth in NRS 116B.577.

3. May hire and discharge managing agents and other employees, agents and independent contractors of the association.

4. May institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or two or more units' owners on matters affecting the condominium hotel.

5. May make contracts and incur liabilities with regard to the common elements.

6. May regulate the use, maintenance, repair, replacement and modification of common elements.

7. May cause additional improvements to be made as a part of the common elements.

8. May acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to NRS 116B.560.

9. May grant easements, leases, licenses and concessions through or over the common elements.

10. May impose and receive any payments, fees or charges for the use, rental or operation of the common elements.

11. May impose charges for late payment of assessments on common elements.

12. May impose reasonable fines for violations of the governing documents of the association only if the association complies with the requirements set forth in NRS 116B.430.

13. May impose a reasonable fee for opening or closing any file for each unit. Such a fee must be based on the actual cost the association incurs to open or close any file. The Commission shall adopt regulations establishing the maximum amount of the fee that an association may charge pursuant to this subsection, which must not exceed \$350.

14. May provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance.

~~14.~~ 15. May assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.

~~15.~~ 16. May exercise any other powers conferred by the declaration or bylaws.



~~H6-1~~ 17. May exercise any other powers necessary and proper for the governance and operation of the association.

Sec. 5. NRS 116B.760 is hereby amended to read as follows:

116B.760 1. Except in the case of a sale in which delivery of a public offering statement is required, a unit's owner or his or her authorized agent shall furnish to a purchaser a resale package containing all of the following:

(a) A copy of this chapter, the declaration, other than any plats, the bylaws, the rules or regulations of the association and the hotel unit owner and the information statement required by NRS 116B.765;

(b) A statement setting forth the amount of the monthly assessment for common expenses and any unpaid assessment of any kind currently due from the selling unit's owner;

(c) A copy of the current operating budget of the association and current year-to-date financial statement for the association, which must include a summary of the reserves of the association required by this chapter;

(d) A current year-to-date statement of the shared expenses charged to the units and the projected budget for the shared expenses, either within or as an exhibit to the public offering statement. The budget must include, without limitation:

(1) A statement of the amount included in the budget as reserves for repairs, replacement and restoration pursuant to this chapter; and

(2) The projected monthly shared expenses for each type of unit, including the amount established as reserves pursuant to this chapter;

(e) A description of any other payments, fees and charges that may be charged by the hotel unit owner, including those that may be charged in order to offset the increased burden placed on the shared components as a result of use of residential units as transient rentals; and

(f) A statement of any unsatisfied judgments or pending legal actions against the association or the hotel unit owner which affect the shared components and the status of any pending legal actions relating to the condominium hotel of which the unit's owner has actual knowledge.

2. The purchaser may, by written notice, cancel the contract of purchase until midnight of the fifth calendar day following the date of receipt of the resale package described in subsection 1, and the contract for purchase must contain a provision to that effect. If the purchaser elects to cancel a contract pursuant to this subsection, the purchaser must hand deliver the notice of cancellation to the residential unit owner or his or her authorized agent or mail the



notice of cancellation by prepaid United States mail to the residential unit owner or his or her authorized agent. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded promptly. If the purchaser has accepted a conveyance of the residential unit, the purchaser is not entitled to:

(a) Cancel the contract pursuant to this subsection; or

(b) Damages, rescission or other relief based solely on the ground that the residential unit owner or his or her authorized agent failed to furnish the resale package, or any portion thereof, as required by this section.

3. Within 10 *calendar* days after receipt of a written request by a residential unit owner or his or her authorized agent, the hotel unit owner shall furnish all of the following to the residential unit owner or his or her authorized agent for inclusion in the resale package:

(a) Copies of the documents required pursuant to paragraphs (a) and (c) of subsection 1; and

(b) A certificate containing the information necessary to enable the residential unit owner to comply with paragraphs (b), (d), (e) and (f) of subsection 1.

4. If the hotel unit owner furnishes the documents and certificate pursuant to subsection 3:

(a) The residential unit owner or his or her authorized agent shall include the documents and certificate in the resale package provided to the purchaser, and neither the residential unit owner nor his or her authorized agent is liable to the purchaser for any erroneous information provided by the hotel unit owner and included in the documents and certificate.

(b) The hotel unit owner may charge the residential unit owner a reasonable fee to cover the cost of preparing the certificate furnished pursuant to subsection 3. Such a fee must be based on the actual cost the association incurs to fulfill the requirements of this section in preparing the certificate. The Commission shall adopt regulations establishing the maximum amount of the fee that the hotel unit owner may charge for preparing the certificate.

(c) The other documents furnished pursuant to subsection 3 must be provided in electronic format at no charge to the unit's owner or, if the hotel unit owner is unable to provide such documents in electronic format, the hotel unit owner may charge the residential unit owner a reasonable fee, not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter, to cover the cost of copying.

(d) Except for the fees allowed pursuant to paragraphs (b) and (c), the hotel unit owner may not charge the residential unit owner



1 any other fees for preparing or furnishing the documents and
2 certificate pursuant to subsection 3.

3 5. Neither a purchaser nor the purchaser's interest in a
4 residential unit is liable for any unpaid assessment or fee greater
5 than the amount set forth in the documents and certificate prepared
6 by the hotel unit owner. If the hotel unit owner fails to furnish the
7 documents and certificate within the 10 *calendar* days allowed by
8 this section, the purchaser is not liable for the delinquent
9 assessment. *A resale package provided to a unit's owner or his or*
10 *her authorized agent pursuant to this section remains effective for*
11 *90 calendar days.*

12 6. Upon the request of a residential unit owner or his or her
13 authorized agent, or upon the request of a purchaser to whom the
14 hotel unit owner has provided a resale package pursuant to this
15 section or his or her authorized agent, the hotel unit owner shall
16 make the entire study of the reserves of the association or the shared
17 components reasonably available for the residential unit owner,
18 purchaser or authorized agent to inspect, examine, photocopy and
19 audit. The study must be made available at the business office of the
20 association or the hotel unit owner or some other suitable location
21 within the county where the condominium hotel is situated or, if it is
22 situated in more than one county, within one of those counties.

23 **Sec. 6.** NRS 38.300 is hereby amended to read as follows:

24 38.300 As used in NRS 38.300 to 38.360, inclusive, unless the
25 context otherwise requires:

26 1. "Assessments" means:

27 (a) Any charge which an association may impose against an
28 owner of residential property pursuant to a declaration of covenants,
29 conditions and restrictions, including any late charges, interest and
30 costs of collecting the charges; and

31 (b) Any penalties, fines, fees and other charges which may be
32 imposed by an association pursuant to paragraphs (j) to ~~[(n)]~~ *(o)*,
33 inclusive, of subsection 1 of NRS 116.3102 or subsections 10 ~~[-11~~
34 ~~and 12]~~ *to 13, inclusive*, of NRS 116B.420.

35 2. "Association" has the meaning ascribed to it in NRS
36 116.011 or 116B.030.

37 3. "Civil action" includes an action for money damages or
38 equitable relief. The term does not include an action in equity for
39 injunctive relief in which there is an immediate threat of irreparable
40 harm, or an action relating to the title to residential property.

41 4. "Division" means the Real Estate Division of the
42 Department of Business and Industry.

43 5. "Program" means a program established by the Division
44 under which a person, including, without limitation, a referee or
45 hearing officer, can render decisions on disputes relating to:



(a) The interpretation, application or enforcement of any covenants, conditions or restrictions applicable to residential property or any bylaws, rules or regulations adopted by an association; or

(b) The procedures used for increasing, decreasing or imposing additional assessments upon residential property.

6. “Residential property” includes, but is not limited to, real estate within a planned community subject to the provisions of chapter 116 of NRS or real estate within a condominium hotel subject to the provisions of chapter 116B of NRS. The term does not include commercial property if no portion thereof contains property which is used for residential purposes.

Sec. 7. This act becomes effective:

1. Upon passage and approval, for the purposes of adopting regulations and performing any other administrative tasks that are necessary to carry out the provisions of this act; and

2. On January 1, 2020, for all other purposes.

