

ASSEMBLY BILL NO. 396—ASSEMBLYMEMBER BACKUS

MARCH 11, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to housing.  
(BDR 22-232)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: No.

CONTAINS UNFUNDED MANDATE (§ 1)  
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 housing; requiring the governing body of certain counties and cities to adopt an ordinance to authorize the owner of certain residential properties to add accessory dwelling units to the property; setting forth certain requirements for the ordinance; providing that if the governing body of certain counties and cities does not adopt such an ordinance by January 1, 2026, accessory dwelling units are authorized on any parcel zoned for residential use without restriction; revising provisions relating to the amendment of a declaration or the termination of a common-interest community; requiring proof of certain insurance policies be furnished in a resale package to a purchaser of a unit in a common-interest community; increasing the fine that may be imposed by the Commission for Common-Interest Communities and Condominium Hotels for certain violations; making various other changes relating to common-interest communities; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 **Section 1** of this bill requires each governing body of a county whose  
2 population is 100,000 or more (currently Clark and Washoe Counties) and each  
3 governing body of a city whose population is 60,000 or more (currently the Cities  
4 of Las Vegas, Henderson, North Las Vegas, Reno and Sparks) to adopt an



ordinance that authorizes the owner of a residential property to apply to add an accessory dwelling unit to the residential property. **Section 1** further requires the ordinance to authorize, under certain circumstances, an additional accessory dwelling unit to the residential property. **Section 1** also sets forth various requirements for the ordinance, including that the ordinance set forth an expedited process for the approval of the application and any appeal of the denial of such an application. **Section 1** further limits provisions of the ordinance, including by prohibiting the ordinance from placing certain conditions on the approval of the accessory dwelling unit.

**Section 11** of this bill provides that if the governing body of a county whose population is 100,000 or more (currently Clark and Washoe Counties) or the governing body of a city whose population is 60,000 or more (currently the Cities of Las Vegas, Henderson, North Las Vegas, Reno and Sparks) does not adopt an ordinance that meets the requirements of **section 1** before January 1, 2026, accessory dwelling units are authorized on any parcel zoned for residential use without restriction.

**Section 12** of this bill provides that any ordinance adopted by the governing body of a county or city before, on or after January 1, 2026, that conflicts with **section 1** is void and unenforceable.

Existing law authorizes the governing body of a county or city to divide the county, city or region into zoning districts of such number, shape and area as are best suited to carry out certain purposes. Within a zoning district, the governing body is authorized to regulate and restrict the erection, reconstruction, alteration, repair or use of buildings, structures or land. (NRS 278.250) **Section 4** of this bill creates an exception to account for the requirement that the governing body of certain counties and cities adopt an ordinance to allow the addition of an accessory dwelling unit pursuant to **section 1**.

Existing law requires that an action or proceeding seeking judicial relief or review from or with respect to any final action, decision or order of any governing body of a county or city be commenced within 25 days after the date of filing of notice of the final action, decision or order with the clerk or secretary of the governing body. (NRS 278.0235) **Section 3** of this bill applies these provisions to **section 1**.

**Section 2** of this bill makes a conforming change to apply the definitions of certain terms relating to planning and zoning to **section 1**.

Existing law sets forth certain requirements for the amendment of a declaration of a common-interest community, including that every amendment to the declaration must, with certain exceptions, be indexed in the grantee's index in the name of the common-interest community and the association and in the grantor's index in the name of the parties executing the amendment. (NRS 116.2117) **Section 5** of this bill eliminates the exception for an amendment for the relocation of boundaries between adjoining units. (NRS 116.2112)

**Section 5** also authorizes an association to amend a declaration to restrict the leasing of residential units to the extent that the restriction is reasonably designed to meet certain underwriting requirements.

Existing law sets forth the requirements for terminating a common-interest community. (NRS 116.2118) **Section 6** of this bill amends the voting requirements for terminating a common-interest community.

**Sections 7 and 8** of this bill revise provisions relating to prohibiting or restricting a unit owner from renting or leasing his or her unit.

Existing law requires a unit's owner or his or her authorized agent, at the expense of the unit's owner, to furnish to a purchaser a resale package containing certain information. (NRS 116.4109) **Section 9** of this bill requires that a resale package also contain proof of the insurance policies that an association is required to carry.



Existing law authorizes, under certain circumstances, the Commission for Common-Interest Communities and Condominium Hotels to impose an administrative fine of not more than \$1,000 for certain violations. (NRS 116.785) **Section 10** of this bill increases the administrative fine to not more than \$5,000.

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

**Section 1.** Chapter 278 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Each governing body of a county whose population is 100,000 or more and each governing body of a city whose population is 60,000 or more shall adopt an ordinance that authorizes the owner of a residential property to apply to add an accessory dwelling unit to the residential property. In addition, the ordinance must authorize an owner of a residential property to add a second accessory dwelling unit to the residential property if the owner agrees in writing to add an affordability restriction to the residential property such that one of the accessory dwelling units is limited to be used as housing for a household which has a total monthly gross income that is equal to not more than 80 percent of the median monthly gross household income for the county in which the housing is located.*

*2. Any accessory dwelling unit that is added to a residential property pursuant to an ordinance adopted pursuant to subsection 1 must not be more than 75 percent of the gross floor area ratio of the primary residence or 1,000 square feet, whichever is less.*

*3. The ordinance adopted pursuant to subsection 1:*

*(a) Must set forth an expedited process for:*

*(1) The appropriate staff of the planning department of the county or city to process and determine whether to approve an application from an owner to add an accessory dwelling unit; and*

*(2) An owner of a residential property to appeal to the governing body any denial of an application to add an accessory dwelling unit to the residential property;*

*(b) Must not as a condition of approval of an accessory dwelling unit:*

*(1) Require or prohibit separate kitchen facilities for the accessory dwelling unit;*

*(2) Require separate parking for the accessory dwelling unit or charge the owner an additional fee for approval of the accessory dwelling unit if the accessory dwelling unit will not have separate parking;*



(3) *Require the exterior design, roof pitch or finishing materials of the accessory dwelling unit match the primary residence;*

(4) *Require any side or rear setback for the accessory dwelling unit that is more than 5 feet from the property line;*

(5) *Require any regulations that are more restrictive than the regulations for the primary residence with regard to height, setback, lot size or lot coverage; or*

(6) *Require any improvement or repair to a public street unless such improvement or repair is necessary to reconstruct or repair a public street that is disturbed during the construction of the accessory dwelling unit.*

(c) *Must authorize the owner of the residential property to use the accessory dwelling unit as long-term rental housing;*

(d) *Must not prohibit the owner of the residential property from using or advertising the single-family residence or accessory dwelling unit as long-term rental housing; and*

(e) *Must not require that the owner of the residential property use the accessory dwelling unit for family members or other persons with whom the owner has a personal or employment relationship.*

4. *Except as otherwise provided in subsections 1 and 2, the governing body shall not require, as a condition for the approval of an accessory dwelling unit pursuant to the ordinance adopted pursuant to this section, any restrictive covenant.*

5. *Any zoning regulation adopted by the governing body pursuant to NRS 278.250 must allow the addition of an accessory dwelling unit pursuant to the provisions of an ordinance adopted pursuant to this section.*

6. *Any accessory dwelling unit approved pursuant to an ordinance adopted pursuant to subsection 1:*

(a) *Must meet all applicable building codes, housing codes and any other codes regulating the health and safety of residential property.*

(b) *Is not required to meet any building code or other code regulating the health and safety of commercial buildings, including, without limitation, any code that requires a fire sprinkler system in a commercial building.*

7. *As used in this section:*

(a) *"Accessory dwelling unit" means an independent living space that is built on the same lot as the primary residence on a residential property, regardless of whether the independent living space is attached, detached or built within the primary residence.*

(b) *"Affordability restriction" means a limit on the rent that owner may charge for occupancy of the accessory dwelling unit or*



1 *a limit on the income for tenants for persons or families seeking to*  
2 *qualify as tenants in the accessory dwelling unit.*

3 (c) *“Kitchen facilities” includes, without limitation, a sink,*  
4 *refrigerator and a significant cooking appliance such as a range,*  
5 *stove, oven or microwave.*

6 (d) *“Long-term rental” means a rental period of 90 days or*  
7 *more.*

8 (e) *“Residential property” means a property that is located in*  
9 *an area of the county or city, as applicable, zoned for single-family*  
10 *residential use.*

11 **Sec. 2.** NRS 278.010 is hereby amended to read as follows:

12 278.010 As used in NRS 278.010 to 278.630, inclusive, *and*  
13 *section 1 of this act*, unless the context otherwise requires, the  
14 words and terms defined in NRS 278.0103 to 278.0195, inclusive,  
15 have the meanings ascribed to them in those sections.

16 **Sec. 3.** NRS 278.0235 is hereby amended to read as follows:

17 278.0235 1. No action or proceeding may be commenced for  
18 the purpose of seeking judicial relief or review from or with respect  
19 to any final action, decision or order of any governing body,  
20 commission or board authorized by NRS 278.010 to 278.630,  
21 inclusive, *and section 1 of this act*, unless the action or proceeding  
22 is commenced within 25 days after the date of filing of notice of the  
23 final action, decision or order with the clerk or secretary of the  
24 governing body, commission or board.

25 2. A petitioner or cross-petitioner who is seeking judicial  
26 review must serve and file a memorandum of points and authorities  
27 within 40 days after an action is commenced.

28 3. The respondent or cross-petitioners shall serve and file a  
29 reply memorandum of points and authorities within 30 days after the  
30 service of the memorandum of points and authorities.

31 4. The petition or cross-petitioner may serve and file a reply  
32 memorandum of points and authorities within 30 days after service  
33 of the reply memorandum.

34 5. Within 7 days after the expiration of the time within which  
35 the petitioner is required to reply, any party may request a hearing.  
36 Unless a request for hearing has been filed, the matter shall be  
37 deemed submitted.

38 6. All memoranda of points and authorities filed in proceedings  
39 involving petitions for judicial review must be in the form provided  
40 for appellate briefs in Rule 28 of the Nevada Rules of Appellate  
41 Procedure.

42 7. The court, for good cause, may extend the times allowed in  
43 this section for filing memoranda.



**Sec. 4.** NRS 278.250 is hereby amended to read as follows:

278.250 1. For the purposes of NRS 278.010 to 278.630, inclusive, *and section 1 of this act*, the governing body may divide the city, county or region into zoning districts of such number, shape and area as are best suited to carry out the purposes of NRS 278.010 to 278.630, inclusive ~~[Within]~~, *and section 1 of this act. Except as otherwise provided in section 1 of this act, within* the zoning district, it may regulate and restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures or land.

2. The zoning regulations must be adopted in accordance with the master plan for land use and be designed:

(a) To preserve the quality of air and water resources.

(b) To promote the conservation of open space and the protection of other natural and scenic resources from unreasonable impairment.

(c) To consider existing views and access to solar resources by studying the height of new buildings which will cast shadows on surrounding residential and commercial developments.

(d) To reduce the consumption of energy by encouraging the use of products and materials which maximize energy efficiency in the construction of buildings.

(e) To provide for recreational needs.

(f) To protect life and property in areas subject to floods, landslides and other natural disasters.

(g) To conform to the adopted population plan, if required by NRS 278.170.

(h) To develop a timely, orderly and efficient arrangement of transportation and public facilities and services, including public access and sidewalks for pedestrians, and facilities and services for bicycles.

(i) To ensure that the development on land is commensurate with the character and the physical limitations of the land.

(j) To take into account the immediate and long-range financial impact of the application of particular land to particular kinds of development, and the relative suitability of the land for development.

(k) To promote health and the general welfare.

(l) To ensure the development of an adequate supply of housing for the community, including the development of affordable housing.

(m) To ensure the protection of existing neighborhoods and communities, including the protection of rural preservation neighborhoods and, in counties whose population is 700,000 or more, the protection of historic neighborhoods.



(n) To promote systems which use solar or wind energy.

(o) To foster the coordination and compatibility of land uses with any military installation in the city, county or region, taking into account the location, purpose and stated mission of the military installation.

3. The zoning regulations must be adopted with reasonable consideration, among other things, to the character of the area and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the city, county or region.

4. In exercising the powers granted in this section, the governing body may use any controls relating to land use or principles of zoning that the governing body determines to be appropriate, including, without limitation, density bonuses, inclusionary zoning and minimum density zoning.

5. As used in this section:

(a) "Density bonus" means an incentive granted by a governing body to a developer of real property that authorizes the developer to build at a greater density than would otherwise be allowed under the master plan, in exchange for an agreement by the developer to perform certain functions that the governing body determines to be socially desirable, including, without limitation, developing an area to include a certain proportion of affordable housing.

(b) "Inclusionary zoning" means a type of zoning pursuant to which a governing body requires or provides incentives to a developer who builds residential dwellings to build a certain percentage of those dwellings as affordable housing.

(c) "Minimum density zoning" means a type of zoning pursuant to which development must be carried out at or above a certain density to maintain conformance with the master plan.

**Sec. 5.** NRS 116.2117 is hereby amended to read as follows:

116.2117 1. Except as otherwise provided in NRS 116.21175, and except in cases of amendments that may be executed by a declarant under subsection 5 of NRS 116.2109 or NRS 116.211, or by the association under NRS 116.1107, 116.2106, subsection 3 of NRS 116.2108, subsection 1 of NRS 116.2112 or NRS 116.2113, or by certain units' owners under subsection 2 of NRS 116.2108, subsection 1 of NRS 116.2112, subsection 2 of NRS 116.2113 or subsection 2 of NRS 116.2118, and except as otherwise limited by subsections 4, 6, 7 and 8, the declaration, including any plats, may be amended only by vote or agreement of units' owners of units to which at least a majority of the votes in the association are allocated, unless the declaration specifies a different percentage for all amendments or for specified subjects of amendment. If the



1 declaration requires the approval of another person as a condition of  
2 its effectiveness, the amendment is not valid without that approval.

3 2. No action to challenge the validity of an amendment adopted  
4 by the association pursuant to this section may be brought more than  
5 1 year after the amendment is recorded.

6 3. Every amendment to the declaration must be recorded in  
7 every county in which any portion of the common-interest  
8 community is located and is effective only upon recordation. An  
9 amendment ~~[, except an amendment pursuant to NRS 116.2112,]~~  
10 must be indexed in the grantee's index in the name of the common-  
11 interest community and the association and in the grantor's index in  
12 the name of the parties executing the amendment.

13 4. Except to the extent expressly permitted or required by other  
14 provisions of this chapter, no amendment may change the  
15 boundaries of any unit or change the allocated interests of a unit in  
16 the absence of unanimous consent of only those units' owners  
17 whose units are affected and the consent of a majority of the owners  
18 of the remaining units ~~[,]~~ *, including a majority of the votes*  
19 *allocated to units not owned by the declarant.*

20 5. Amendments to the declaration required by this chapter to  
21 be recorded by the association must be prepared, executed, recorded  
22 and certified on behalf of the association by any officer of the  
23 association designated for that purpose or, in the absence of  
24 designation, by the president of the association.

25 6. ~~[An]~~ *Except as otherwise provided in subsection 9, an*  
26 amendment to the declaration which prohibits or materially restricts  
27 the permitted uses of a unit or the number or other qualifications of  
28 persons who may occupy units may not be enforced against a unit's  
29 owner who was the owner of the unit on the date of the recordation  
30 of the amendment as long as the unit's owner remains the owner of  
31 that unit.

32 7. A provision in the declaration creating special declarant's  
33 rights that have not expired may not be amended without the  
34 consent of the declarant.

35 8. If any provision of this chapter or of the declaration requires  
36 the consent of a holder of a security interest in a unit, or an insurer  
37 or guarantor of such interest, as a condition to the effectiveness of  
38 an amendment to the declaration, that consent is deemed granted if:

39 (a) The holder, insurer or guarantor has not requested, in  
40 writing, notice of any proposed amendment; or

41 (b) Notice of any proposed amendment is required or has been  
42 requested and a written refusal to consent is not received by the  
43 association within 60 days after the association delivers notice of the  
44 proposed amendment to the holder, insurer or guarantor, by certified





mail, return receipt requested, to the address for notice provided by the holder, insurer or guarantor in a prior written request for notice.

*9. An association may amend a declaration to restrict the leasing of residential units to the extent that the restriction is reasonably designed to meet underwriting requirements of:*

*(a) Institutional lenders that regularly make loans secured by first mortgages on units in common-interest communities or regularly purchase such mortgages; or*

*(b) Insurance companies that issue insurance policies to associations or units in a common-interest community.*

**Sec. 6.** NRS 116.2118 is hereby amended to read as follows:

116.2118 1. Except in the case of a taking of all the units by eminent domain, in the case of foreclosure against an entire cooperative of a security interest that has priority over the declaration, or in the circumstances described in NRS 116.2124, a common-interest community may be terminated only by agreement of units' owners to whom at least 80 percent of the votes in the association are allocated, ~~for any larger percentage the declaration specifies,~~ *including at least 80 percent of the votes allocated to units that are not owned by the declarant,* and with any other approvals required by the declaration. *The declaration may require a larger percentage of the total votes in the association for approval, but termination requires approval by at least 80 percent of the votes allocated to units not owned by the declarant.* The declaration may specify a smaller percentage only if all of the units are restricted exclusively to nonresidential uses.

2. An agreement to terminate must be evidenced by the execution of an agreement to terminate, or ratifications thereof, in the same manner as a deed, by the requisite number of units' owners. The agreement must specify a date after which the agreement will be void unless it is recorded before that date. An agreement to terminate and all ratifications thereof must be recorded in every county in which a portion of the common-interest community is situated and is effective only upon recordation.

3. In the case of a condominium or planned community containing only units having horizontal boundaries described in the declaration, an agreement to terminate may provide that all of the common elements and units of the common-interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common-interest community is to be sold following termination, the agreement must set forth the minimum terms of the sale.

4. In the case of a condominium or planned community containing any units not having horizontal boundaries described in the declaration, an agreement to terminate may provide for sale of



1 the common elements, but it may not require that the units be sold  
2 following termination, unless the declaration as originally recorded  
3 provided otherwise or all the units' owners consent to the sale.

4 5. The association, on behalf of the units' owners, may contract  
5 for the sale of real estate in a common-interest community, but the  
6 contract is not binding on the units' owners until approved pursuant  
7 to subsections 1 and 2. If any real estate is to be sold following  
8 termination, title to that real estate, upon termination, vests in the  
9 association as trustee for the holders of all interests in the units.  
10 Thereafter, the association has all powers necessary and appropriate  
11 to effect the sale. Until the sale has been concluded and the proceeds  
12 thereof distributed, the association continues in existence with all  
13 powers it had before termination. Proceeds of the sale must be  
14 distributed to units' owners and lienholders as their interests may  
15 appear, in accordance with NRS 116.21183 and 116.21185. Unless  
16 otherwise specified in the agreement to terminate, as long as the  
17 association holds title to the real estate, each unit's owner and his or  
18 her successors in interest have an exclusive right to occupancy of  
19 the portion of the real estate that formerly constituted the unit.  
20 During the period of that occupancy, each unit's owner and his or  
21 her successors in interest remain liable for all assessments and other  
22 obligations imposed on units' owners by this chapter or the  
23 declaration.

24 6. In a condominium or planned community, if the real estate  
25 constituting the common-interest community is not to be sold  
26 following termination, title to the common elements and, in a  
27 common-interest community containing only units having  
28 horizontal boundaries described in the declaration, title to all the real  
29 estate in the common-interest community, vests in the units' owners  
30 upon termination as tenants in common in proportion to their  
31 respective interests as provided in NRS 116.21185, and liens on the  
32 units shift accordingly. While the tenancy in common exists, each  
33 unit's owner and his or her successors in interest have an exclusive  
34 right to occupancy of the portion of the real estate that formerly  
35 constituted the unit.

36 7. Following termination of the common-interest community,  
37 the proceeds of a sale of real estate, together with the assets of the  
38 association, are held by the association as trustee for units' owners  
39 and holders of liens on the units as their interests may appear.

40 **Sec. 7.** NRS 116.31065 is hereby amended to read as follows:

41 116.31065 The rules adopted by an association:

42 1. Must be reasonably related to the purpose for which they are  
43 adopted.



2. Must be sufficiently explicit in their prohibition, direction or limitation to inform a person of any action or omission required for compliance.

3. Must not be adopted to evade any obligation of the association.

4. ~~[Must]~~ *Except as otherwise provided in subsection 1 of NRS 116.335, must* be consistent with the governing documents of the association and must not arbitrarily restrict conduct or require the construction of any capital improvement by a unit's owner that is not required by the governing documents of the association.

5. Must be uniformly enforced under the same or similar circumstances against all units' owners. Any rule that is not so uniformly enforced may not be enforced against any unit's owner.

6. May be enforced by the association through the imposition of a fine only if the association complies with the requirements set forth in NRS 116.31031.

**Sec. 8.** NRS 116.335 is hereby amended to read as follows:

116.335 1. ~~[Unless, at the time a unit's owner purchased his or her unit,] If~~ the declaration ~~[prohibited the unit's owner from renting or leasing his or her unit,]~~ *authorizes* the association ~~[may not]~~ *to prohibit or restrict* the unit's owner from renting or leasing his or her unit ~~[,]~~ *, or contains a provision establishing a maximum number or percentage of units in the common-interest community which may be rented or leased, the association may adopt rules and regulations to prohibit or restrict the renting or leasing of residential units to the extent that the restriction is reasonably related to meet underwriting requirements of:*

*(a) Institutional lenders that regularly make loans secured by first mortgages on units in common-interest communities or regularly purchase such mortgages; or*

*(b) Insurance companies that issue insurance policies to associations or units in a common-interest community.*

2. ~~[Unless, at the time a unit's owner purchased his or her unit, the declaration required the unit's owner to secure or obtain any approval from the association in order to rent or lease his or her unit, an association may not require the unit's owner to secure or obtain any approval from the association in order to rent or lease his or her unit.]~~

~~3. If a declaration contains a provision establishing a maximum number or percentage of units in the common-interest community which may be rented or leased, that provision of the declaration may not be amended to decrease that maximum number or percentage of units in the common-interest community which may be rented or leased.~~



~~4. If the governing documents of an association require a unit's owner who leases or rents his or her unit, or the tenant of a unit's owner, to register with the association or its agent or otherwise submit to the association or its agent information concerning the lease or rental agreement or the tenant, the association or its agent:~~

~~(a) Must conduct such activities in accordance with the governing documents;~~

~~(b) May not require the unit's owner or tenant of the unit's owner to provide information which the association or its agent does not require to be provided to the association or its agent by a unit's owner who occupies his or her unit, except that the association or its agent may require the unit's owner to provide a copy of the lease or rental agreement; and~~

~~(c) May not charge a fee to the unit's owner for the registration or submission of information.~~

~~5.]~~ The provisions of this section do not prohibit an association from enforcing any provisions which govern the renting or leasing of units and which are contained in this chapter or in any other applicable federal, state or local laws or regulations ~~[-~~

~~6.]~~ , *including, without limitation, any restriction on the rental of units as transient lodging pursuant to NRS 244.35351 to 244.35359, inclusive, or 268.09791 to 268.09799, inclusive.*

3. Notwithstanding any other provision of law or the declaration to the contrary:

(a) If a unit's owner is prohibited from renting or leasing a unit because the maximum number or percentage of units which may be rented or leased in the common-interest community have already been rented or leased, the unit's owner may seek a waiver of the prohibition from the executive board based upon a showing of economic hardship, and the executive board may grant such a waiver and approve the renting or leasing of the unit.

(b) If the declaration contains a provision establishing a maximum number or percentage of units in the common-interest community which may be rented or leased, in determining the maximum number or percentage of units in the common-interest community which may be rented or leased, the number of units owned by the declarant must not be counted or considered.

**Sec. 9.** 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.

*(g) Proof of the insurance policies that an association is required to carry pursuant to NRS 116.3113.*

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), ~~(f)~~ **and (g)** 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 and 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, which must not exceed \$100, to expedite the preparation of the certificate. The amount of the fee may increase, on an annual basis, by a percentage equal to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year, but must not increase by more than 3 percent each year.

(c) The other documents furnished pursuant to subsection 3 must be provided in electronic format to the unit's owner. 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 interest on the unit for a statement of demand, the association shall furnish a statement of demand to the person who requested the statement and provide a copy of the statement to any other interested party. The association may charge a fee of not more than \$165 to prepare and furnish a statement of demand pursuant to this subsection and an additional fee of not more than \$100 to furnish a statement of demand within 3 business days after receipt of a written request for a statement of demand. The amount of the fees for preparing and furnishing a statement of demand and the additional fee for furnishing a statement of demand within 3 business days may increase, on an annual basis, by a percentage equal to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year, but must not increase by more than 3 percent each year. The statement of demand:

(a) Must set 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; and



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

➤ As used in this subsection, "interested party" includes the unit's owner selling the unit and the prospective purchaser of the unit.

8. In preparing, copying, furnishing or expediting or otherwise providing any document or other item pursuant to this section, an association, or entity related to or acting on behalf of an association, shall not charge a unit's owner, the authorized agent of a unit's owner, a purchaser or, pursuant to subsection 7, the holder of a security interest on a unit, any fee:

(a) Not authorized in this section; or

(b) In an amount which exceeds any limit set forth in this section.

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

**Sec. 10.** NRS 116.785 is hereby amended to read as follows:

116.785 1. If the Commission or the hearing panel, after notice and hearing, finds that the respondent has committed a violation, the Commission or the hearing panel may take any or all of the following actions:

(a) Issue an order directing the respondent to cease and desist from continuing to engage in the unlawful conduct that resulted in the violation.

(b) Issue an order directing the respondent to take affirmative action to correct any conditions resulting from the violation.

(c) Impose an administrative fine of not more than ~~[\$1,000]~~ **\$5,000** for each violation.

2. If the respondent is a member of an executive board or an officer of an association, the Commission or the hearing panel may order the respondent removed from his or her office or position if the Commission or the hearing panel, after notice and hearing, finds that:





(a) The respondent has knowingly and willfully committed a violation; and

(b) The removal is in the best interest of the association.

3. If the respondent violates any order issued by the Commission or the hearing panel pursuant to this section, the Commission or the hearing panel, after notice and hearing, may impose an administrative fine of not more than ~~[\$1,000]~~ \$5,000 for each violation.

4. If the Commission or the hearing panel takes any disciplinary action pursuant to this section, the Commission or the hearing panel may order the respondent to pay the costs of the proceedings incurred by the Division, including, without limitation, the cost of the investigation and reasonable attorney's fees.

5. Notwithstanding any other provision of this section, unless the respondent has knowingly and willfully committed a violation, if the respondent is a member of an executive board or an officer of an association:

(a) The association is liable for all fines and costs imposed against the respondent pursuant to this section; and

(b) The respondent may not be held personally liable for those fines and costs.

**Sec. 11.** If the governing body of a county whose population is 100,000 or more or the governing body of a city whose population is 60,000 or more does not adopt an ordinance that meets the requirements of section 1 of this act before January 1, 2026, accessory dwelling units are authorized on any parcel zoned for residential use without restriction.

**Sec. 12.** Any ordinance adopted by the governing body of a county or city that conflicts with the provisions of section 1 of this act before, on or after January 1, 2026, is void and unenforceable.

**Sec. 13.** The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

**Sec. 14.** 1. This section and section 13 of this act become effective upon passage and approval.

2. The provisions of sections 1 to 12, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2026, for all other purposes.







