

(Reprinted with amendments adopted on May 19, 2025)

SECOND REPRINT

A.B. 396

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 development and use of accessory dwelling units on residential 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 July 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 10.5** of this bill declares that access to affordable housing is essential
- 2 for the residents of this State and that accessory dwelling units are vital to
- 3 increasing the supply of affordable housing.



* A B 3 9 6 R 2 *

4 **Section 1** of this bill requires each governing body of a county whose
5 population is 100,000 or more (currently Clark and Washoe Counties) and each
6 governing body of a city whose population is 60,000 or more (currently the Cities
7 of Las Vegas, Henderson, North Las Vegas, Reno and Sparks) to adopt an
8 ordinance that authorizes the development and use of an accessory dwelling unit on
9 residential property. **Section 1** provides that any such ordinance does not apply in a
10 region in a county or city for which there has been created by interstate compact a
11 regional planning agency and the regional plan adopted by the regional planning
12 agency calls for the regulation of housing. **Section 1** further limits provisions of the
13 ordinance, including by prohibiting the ordinance from placing certain conditions
14 on the approval of the accessory dwelling unit.

15 **Section 11** of this bill provides that: (1) if, before July 1, 2026, the governing
16 body of a county whose population is 100,000 or more or the governing body of a
17 city whose population is 60,000 or more has adopted an ordinance that is consistent
18 with **section 1**, the governing body is not required to adopt another ordinance
19 relating to accessory dwelling units pursuant to **section 1**; and (2) if the governing
20 body of a county whose population is 100,000 or more or the governing body of a
21 city whose population is 60,000 or more does not adopt an ordinance that is
22 consistent with **section 1** before July 1, 2026, accessory dwelling units are
23 authorized on any parcel zoned for residential use without restriction.

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

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

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

40 Existing law sets forth certain requirements for the amendment of a declaration
41 of a common-interest community, including that every amendment to the
42 declaration must, with certain exceptions, be indexed in the grantee's index in the
43 name of the common-interest community and the association and in the grantor's
44 index in the name of the parties executing the amendment. (NRS 116.2117) **Section**
45 **5** of this bill eliminates the exception for an amendment for the relocation of
46 boundaries between adjoining units. (NRS 116.2112)

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

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

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

55 Existing law requires a unit's owner or his or her authorized agent, at the
56 expense of the unit's owner, to furnish to a purchaser a resale package containing
57 certain information. (NRS 116.4109) **Section 9** of this bill requires that a resale



58 package also contain proof of the insurance policies that an association is required
59 to carry.

60 Existing law authorizes, under certain circumstances, the Commission for
61 Common-Interest Communities and Condominium Hotels to impose an
62 administrative fine of not more than \$1,000 for certain violations. (NRS 116.785)

63 **Section 10** of this bill increases the administrative fine to not more than \$5,000.

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

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

3 *1. Except as otherwise provided in this section, each*
4 *governing body of a county whose population is 100,000 or more*
5 *and each governing body of a city whose population is 60,000 or*
6 *more shall adopt an ordinance that authorizes the development*
7 *and use of an accessory dwelling unit on residential property.*

8 *2. The ordinance adopted pursuant to subsection 1 must not*
9 *as a condition of approval of an accessory dwelling unit:*

10 *(a) Prohibit separate kitchen facilities for the accessory*
11 *dwelling unit.*

12 *(b) Require more than one additional parking space for the*
13 *accessory dwelling unit provided that the existing parking for the*
14 *primary residence and street parking satisfy the anticipated*
15 *parking needs for the accessory dwelling unit.*

16 *(c) Require any side or rear setback for the accessory dwelling*
17 *unit that is more restrictive than the requirements for the primary*
18 *residence.*

19 *(d) Require any improvement or repair to a public street unless*
20 *such improvement or repair is necessary:*

21 *(1) To reconstruct or repair a public street that is disturbed*
22 *during the construction of the accessory dwelling unit; or*

23 *(2) For public health and safety.*

24 *(e) Except as otherwise provided in this paragraph, prohibit*
25 *the owner of the residential property from using the accessory*
26 *dwelling unit as rental housing. The ordinance may prohibit the*
27 *owner of the residential property from using the accessory*
28 *dwelling unit as transient lodging.*

29 *3. Any accessory dwelling unit approved pursuant to an*
30 *ordinance adopted pursuant to subsection 1:*

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

34 *(b) Is not required to meet any building code or other code*
35 *regulating the health and safety of commercial buildings,*



1 *including, without limitation, any code that requires a fire*
2 *sprinkler system in a commercial building.*

3 *4. Nothing in this section shall be construed to:*

4 *(a) Prohibit the governing body of a county or a city from*
5 *implementing a process that sets forth more favorable conditions*
6 *for adding an accessory dwelling unit to residential property,*
7 *including, without limitation, providing for the approval of the*
8 *construction of an additional dwelling unit by building permit in*
9 *lieu of approval by the planning department of the county or city;*
10 *or*

11 *(b) Authorize more than two accessory dwelling units on any*
12 *residential property.*

13 *5. Any ordinance adopted pursuant to this section does not*
14 *apply in a region in a county or city in this State for which there*
15 *has been created by interstate compact a regional planning agency*
16 *and the regional plan adopted by the regional planning agency*
17 *calls for the regulation of housing.*

18 *6. As used in this section:*

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

23 *(b) "Kitchen facilities" includes, without limitation, a sink,*
24 *refrigerator and a significant cooking appliance such as a range,*
25 *stove or oven.*

26 *(c) "Residential property" means a property that is located in*
27 *an area of the county or city, as applicable, zoned for single-family*
28 *residential use.*

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

30 278.010 As used in NRS 278.010 to 278.630, inclusive, *and*
31 *section 1 of this act*, unless the context otherwise requires, the
32 words and terms defined in NRS 278.0103 to 278.0195, inclusive,
33 have the meanings ascribed to them in those sections.

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

35 278.0235 1. No action or proceeding may be commenced for
36 the purpose of seeking judicial relief or review from or with respect
37 to any final action, decision or order of any governing body,
38 commission or board authorized by NRS 278.010 to 278.630,
39 inclusive, *and section 1 of this act*, unless the action or proceeding
40 is commenced within 25 days after the date of filing of notice of the
41 final action, decision or order with the clerk or secretary of the
42 governing body, commission or board.

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



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

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

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

11 6. All memoranda of points and authorities filed in proceedings
12 involving petitions for judicial review must be in the form provided
13 for appellate briefs in Rule 28 of the Nevada Rules of Appellate
14 Procedure.

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

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

18 278.250 1. For the purposes of NRS 278.010 to 278.630,
19 inclusive, *and section 1 of this act*, the governing body may divide
20 the city, county or region into zoning districts of such number, shape
21 and area as are best suited to carry out the purposes of NRS 278.010
22 to 278.630, inclusive [~~Within~~], *and section 1 of this act. Within*
23 the zoning district, it may regulate and restrict the erection,
24 construction, reconstruction, alteration, repair or use of buildings,
25 structures or land.

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

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

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

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

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

38 (e) To provide for recreational needs.

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

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

43 (h) To develop a timely, orderly and efficient arrangement of
44 transportation and public facilities and services, including public



1 access and sidewalks for pedestrians, and facilities and services for
2 bicycles.

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

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

9 (k) To promote health and the general welfare.

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

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

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

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

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

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

32 5. As used in this section:

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

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



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

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

5 116.2117 1. Except as otherwise provided in NRS
6 116.21175, and except in cases of amendments that may be
7 executed by a declarant under subsection 5 of NRS 116.2109 or
8 NRS 116.211, or by the association under NRS 116.1107, 116.2106,
9 subsection 3 of NRS 116.2108, subsection 1 of NRS 116.2112 or
10 NRS 116.2113, or by certain units' owners under subsection 2 of
11 NRS 116.2108, subsection 1 of NRS 116.2112, subsection 2 of NRS
12 116.2113 or subsection 2 of NRS 116.2118, and except as otherwise
13 limited by subsections 4, 6, 7 and 8, the declaration, including any
14 plats, may be amended only by vote or agreement of units' owners
15 of units to which at least a majority of the votes in the association
16 are allocated, unless the declaration specifies a different percentage
17 for all amendments or for specified subjects of amendment. If the
18 declaration requires the approval of another person as a condition of
19 its effectiveness, the amendment is not valid without that approval.

20 2. No action to challenge the validity of an amendment adopted
21 by the association pursuant to this section may be brought more than
22 1 year after the amendment is recorded.

23 3. Every amendment to the declaration must be recorded in
24 every county in which any portion of the common-interest
25 community is located and is effective only upon recordation. An
26 amendment ~~[, except an amendment pursuant to NRS 116.2112,]~~
27 must be indexed in the grantee's index in the name of the common-
28 interest community and the association and in the grantor's index in
29 the name of the parties executing the amendment.

30 4. Except to the extent expressly permitted or required by other
31 provisions of this chapter, no amendment may change the
32 boundaries of any unit or change the allocated interests of a unit in
33 the absence of unanimous consent of only those units' owners
34 whose units are affected and the consent of a majority of the owners
35 of the remaining units ~~[,]~~ *, including a majority of the votes
36 allocated to units not owned by the declarant.*

37 5. Amendments to the declaration required by this chapter to
38 be recorded by the association must be prepared, executed, recorded
39 and certified on behalf of the association by any officer of the
40 association designated for that purpose or, in the absence of
41 designation, by the president of the association.

42 6. ~~[An]~~ *Except as otherwise provided in subsection 9, an*
43 *amendment to the declaration which prohibits or materially restricts*
44 *the permitted uses of a unit or the number or other qualifications of*
45 *persons who may occupy units may not be enforced against a unit's*



1 owner who was the owner of the unit on the date of the recordation
2 of the amendment as long as the unit's owner remains the owner of
3 that unit.

4 7. A provision in the declaration creating special declarant's
5 rights that have not expired may not be amended without the
6 consent of the declarant.

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

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

13 (b) Notice of any proposed amendment is required or has been
14 requested and a written refusal to consent is not received by the
15 association within 60 days after the association delivers notice of the
16 proposed amendment to the holder, insurer or guarantor, by certified
17 mail, return receipt requested, to the address for notice provided by
18 the holder, insurer or guarantor in a prior written request for notice.

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

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

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

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

28 116.2118 1. Except in the case of a taking of all the units by
29 eminent domain, in the case of foreclosure against an entire
30 cooperative of a security interest that has priority over the
31 declaration, or in the circumstances described in NRS 116.2124, a
32 common-interest community may be terminated only by agreement
33 of units' owners to whom at least 80 percent of the votes in the
34 association are allocated, ~~for any larger percentage the declaration~~
35 ~~specifies,] including at least 80 percent of the votes allocated to~~
36 ~~units that are not owned by the declarant,~~ and with any other
37 approvals required by the declaration. *The declaration may require*
38 *a larger percentage of the total votes in the association for*
39 *approval, but termination requires approval by at least 80 percent*
40 *of the votes allocated to units not owned by the declarant.* The
41 declaration may specify a smaller percentage only if all of the units
42 are restricted exclusively to nonresidential uses.

43 2. An agreement to terminate must be evidenced by the
44 execution of an agreement to terminate, or ratifications thereof, in
45 the same manner as a deed, by the requisite number of units'



1 owners. The agreement must specify a date after which the
2 agreement will be void unless it is recorded before that date. An
3 agreement to terminate and all ratifications thereof must be recorded
4 in every county in which a portion of the common-interest
5 community is situated and is effective only upon recordation.

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

14 4. In the case of a condominium or planned community
15 containing any units not having horizontal boundaries described in
16 the declaration, an agreement to terminate may provide for sale of
17 the common elements, but it may not require that the units be sold
18 following termination, unless the declaration as originally recorded
19 provided otherwise or all the units' owners consent to the sale.

20 5. The association, on behalf of the units' owners, may contract
21 for the sale of real estate in a common-interest community, but the
22 contract is not binding on the units' owners until approved pursuant
23 to subsections 1 and 2. If any real estate is to be sold following
24 termination, title to that real estate, upon termination, vests in the
25 association as trustee for the holders of all interests in the units.
26 Thereafter, the association has all powers necessary and appropriate
27 to effect the sale. Until the sale has been concluded and the proceeds
28 thereof distributed, the association continues in existence with all
29 powers it had before termination. Proceeds of the sale must be
30 distributed to units' owners and lienholders as their interests may
31 appear, in accordance with NRS 116.21183 and 116.21185. Unless
32 otherwise specified in the agreement to terminate, as long as the
33 association holds title to the real estate, each unit's owner and his or
34 her successors in interest have an exclusive right to occupancy of
35 the portion of the real estate that formerly constituted the unit.
36 During the period of that occupancy, each unit's owner and his or
37 her successors in interest remain liable for all assessments and other
38 obligations imposed on units' owners by this chapter or the
39 declaration.

40 6. In a condominium or planned community, if the real estate
41 constituting the common-interest community is not to be sold
42 following termination, title to the common elements and, in a
43 common-interest community containing only units having
44 horizontal boundaries described in the declaration, title to all the real
45 estate in the common-interest community, vests in the units' owners



1 upon termination as tenants in common in proportion to their
2 respective interests as provided in NRS 116.21185, and liens on the
3 units shift accordingly. While the tenancy in common exists, each
4 unit's owner and his or her successors in interest have an exclusive
5 right to occupancy of the portion of the real estate that formerly
6 constituted the unit.

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

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

12 116.31065 The rules adopted by an association:

13 1. Must be reasonably related to the purpose for which they are
14 adopted.

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

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

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

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

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

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

32 116.335 1. ~~Unless, at the time a unit's owner purchased his~~
33 ~~or her unit,] If~~ the declaration ~~[prohibited the unit's owner from~~
34 ~~renting or leasing his or her unit,] authorizes~~ the association ~~[may~~
35 ~~not] to prohibit~~ *or restrict* the unit's owner from renting or leasing
36 his or her unit ~~[,], or contains a provision establishing a maximum~~
37 *number or percentage of units in the common-interest community*
38 *which may be rented or leased, the association may adopt rules*
39 *and regulations to prohibit or restrict the renting or leasing of*
40 *residential units to the extent that the restriction is reasonably*
41 *related to meet underwriting requirements of:*

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



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

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

9 ~~—3.— If a declaration contains a provision establishing a maximum~~
10 ~~number or percentage of units in the common interest community~~
11 ~~which may be rented or leased, that provision of the declaration may~~
12 ~~not be amended to decrease that maximum number or percentage of~~
13 ~~units in the common interest community which may be rented or~~
14 ~~leased.~~

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

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

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

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

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

34 ~~—6.] , including, without limitation, any restriction on the rental~~
35 ~~of units as transient lodging pursuant to NRS 244.35351 to~~
36 ~~244.35359, inclusive, or 268.09791 to 268.09799, inclusive.~~

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

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



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

7 **Sec. 9.** NRS 116.4109 is hereby amended to read as follows:

8 116.4109 1. Except in the case of a sale in which delivery of
9 a public offering statement is required, or unless exempt under
10 subsection 2 of NRS 116.4101, a unit's owner or his or her
11 authorized agent shall, at the expense of the unit's owner, furnish to
12 a purchaser a resale package containing all of the following:

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

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

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

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

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

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

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

42 2. The purchaser may, by written notice, cancel the contract of
43 purchase until midnight of the fifth calendar day following the date
44 of receipt of the resale package described in subsection 1, and the
45 contract for purchase must contain a provision to that effect. If the



1 purchaser elects to cancel a contract pursuant to this subsection,
2 the purchaser must hand deliver the notice of cancellation to the
3 unit's owner or his or her authorized agent, mail the notice of
4 cancellation by prepaid United States mail to the unit's owner or his
5 or her authorized agent or deliver the notice of cancellation by
6 electronic transmission to the unit's owner or his or her authorized
7 agent. Cancellation is without penalty, and all payments made by
8 the purchaser before cancellation must be refunded promptly. If the
9 purchaser has accepted a conveyance of the unit, the purchaser is
10 not entitled to:

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

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

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

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

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

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

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

33 (b) The association may charge the unit's owner a reasonable
34 fee to cover the cost of preparing the certificate furnished pursuant
35 to subsection 3. Such a fee must be based on the actual cost the
36 association incurs to fulfill the requirements of this section in
37 preparing the certificate and must not exceed \$185, except that if a
38 unit's owner or an authorized agent thereof requests that the
39 certificate be furnished sooner than 3 business days after the date of
40 the request, the association may charge a fee, which must not exceed
41 \$100, to expedite the preparation of the certificate. The amount of
42 the fee may increase, on an annual basis, by a percentage equal to
43 the percentage of increase in the Consumer Price Index (All Items)
44 published by the United States Department of Labor for the



1 preceding calendar year, but must not increase by more than 3
2 percent each year.

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

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

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

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

32 7. A unit's owner, the authorized agent of the unit's owner or
33 the holder of a security interest on the unit may request a statement
34 of demand from the association. Not later than 10 calendar days
35 after receipt of a written request from the unit's owner, the
36 authorized agent of the unit's owner or the holder of a security
37 interest on the unit for a statement of demand, the association shall
38 furnish a statement of demand to the person who requested the
39 statement and provide a copy of the statement to any other interested
40 party. The association may charge a fee of not more than \$165 to
41 prepare and furnish a statement of demand pursuant to this
42 subsection and an additional fee of not more than \$100 to furnish a
43 statement of demand within 3 business days after receipt of a written
44 request for a statement of demand. The amount of the fees for
45 preparing and furnishing a statement of demand and the additional



1 fee for furnishing a statement of demand within 3 business days may
2 increase, on an annual basis, by a percentage equal to the percentage
3 of increase in the Consumer Price Index (All Items) published by
4 the United States Department of Labor for the preceding calendar
5 year, but must not increase by more than 3 percent each year. The
6 statement of demand:

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

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

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

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

25 (a) Not authorized in this section; or

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

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

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

41 116.785 1. If the Commission or the hearing panel, after
42 notice and hearing, finds that the respondent has committed a
43 violation, the Commission or the hearing panel may take any or all
44 of the following actions:



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

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

6 (c) Impose an administrative fine of not more than ~~[\$1,000]~~
7 ~~\$5,000~~ for each violation.

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

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

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

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

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

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

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

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

34 **Sec. 10.5.** The Legislature hereby finds and declares:

35 1. That access to affordable housing is essential to the health,
36 safety and economic and social well-being of the residents of this
37 State; and

38 2. Accessory dwelling units are vital to increasing the supply
39 of affordable housing throughout this State.

40 **Sec. 11.** 1. If, before ~~January~~ July 1, 2026, the governing
41 body of a county whose population is 100,000 or more or the
42 governing body of a city whose population is 60,000 or more has
43 adopted an ordinance that is consistent with the provisions of
44 section 1 of this act, the governing body is not required to adopt



1 another ordinance relating to accessory dwelling units pursuant to
2 section 1 of this act.

3 2. If the governing body of a county whose population is
4 100,000 or more or the governing body of a city whose population
5 is 60,000 or more does not adopt an ordinance that is consistent with
6 the provisions of section 1 of this act before July 1, 2026, accessory
7 dwelling units are authorized on any parcel zoned for residential use
8 without restriction.

9 **Sec. 12.** (Deleted by amendment.)

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

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

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

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

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



