

State of Nevada

Department of Business & Industry

Real Estate Division

Common-Interest Communities and Condominium Hotels Program





Hiring Experts & Professionals

Disclaimer

This is a general education class based on NRS 116 and related laws and regulations. It is not intended to provide legal advice. The instructor cannot comment on specific cases. If you feel that the associations governing documents or NRS 116 statutes have been violated you can file a claim with the Ombudsman office



Learning Objectives

- ▶ Upon completion of this class, participants will have a basic understanding of:
 - The Hiring Process for Experts & Professionals
 - Developing and using a Request for Proposal
 - Selecting a Provider
 - Finalizing the Contract
 - Monitoring the Project
 - NRS/NAC Requirements and Prohibitions



NRS116 Statutes Requirements

NRS 116.3103 Power of executive board to act on behalf of association

(1)The executive board acts on behalf of the association.

In the performance of their duties, the officers and members of the executive board are fiduciaries and shall act on an informed basis, in good faith and in the honest belief that their actions are in the best interest of the association

NRS 116.3102 Powers of unit-owners' association

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

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.

NRS 116.3105 Termination of contracts and leases of declarant.

1. Within 2 years after the executive board elected by the units' owners pursuant to [NRS 116.31034](#) takes office, the association may terminate without penalty, upon not less than 90 days' notice to the other party, any of the following if it was entered into before that executive board was elected:

(a) Any management, maintenance, operations or employment contract, or lease of recreational or parking areas or facilities; or

(b) Any other contract or lease between the association and a declarant or an affiliate of a declarant.

Timing of Projects

Stop and consider after reviewing the reserve study when to start to look for bids.

The board association needs time to get bids, review bids and choose which contractor; compare with the timing of executive board meetings.

Try to avoid making decisions in a rush!

Solicitation of Bids

NRS 116A.630 Standards of practice for community managers.

(20) Obtain, when practicable, at least three qualified bids for any capital improvement project for the client.

(4) Advise a client to obtain advice from an independent expert relating to matters that are beyond the expertise of the community manager.

New Assembly Bill 238

Revising provisions relating to the solicitation of bids for a homeowners' association project

NRS 116.31086– amended

Effective July 1, 2015

AB 238 Assembly Bills Bids

Section 2 (1)

Sec. 2. NRS 116.31086 is hereby amended to read as follows:

1. If an association solicits bids for an association project :

(a) The association must, whenever reasonably possible, solicit at least three bids if the association project is expected to cost:

(1) In a common-interest community that consists of less than 1,000 units, 3 percent or more of the annual budget of the association; or

(2) In a common-interest community that consists of 1,000 or more units, 1 percent or more of the annual budget of the association; and

*(b) The bids **must** be opened and read aloud during a meeting of the executive board.*

AB 238 Assembly Bills Bids

Section 2 (2)

Sec. 2. NRS 116.31086 is hereby amended to read as follows:

2. As used in this section, “association project” includes, without limitation, a project that involves the maintenance, repair, replacement or restoration of any part of the common elements or which involves the provision of *professional* services to the association, *including, without limitation, accounting, engineering and legal services.*



NAC 116.405

- ▶ Executive board members must...
 - 8(d) obtain, when practicable, at least three bids from reputable service providers who possess the proper licensing before purchasing any such service for use by the association
 - 8(e) consult with appropriate professionals as necessary before making any major decision affecting the association or the common elements
- NRED Advisory Opinion, 11-02, September 1, 2011, NAC 116.405 Executive board: Determination by Commission of whether members have performed their duties



When practicable?

- ▶ What does that mean?
 - *Practicable* – adjective. Reasonably capable of being accomplished; feasible.
 - Black’s Law Dictionary, 4th Pocket Edition, 2011
 - “That which is performable, feasible, possible” is the standard to which the application of the term will be defined and measured.
 - NRED Advisory Opinion, 11-02, September 1, 2011



When practicable?

- ▶ Expected cost
 - Threshold defines when bid process is triggered
- ▶ New service
 - Establish a basis for service level and cost
- ▶ Contract length/frequency of service
 - Weekly, Monthly, Quarterly, Yearly
- ▶ Complexity or special expertise
 - Few potential providers
- ▶ Long-term vendors
 - Test the water



ADVISORY CONCLUSION: It is not possible to define or interpret further what “when practicable” means, as used in NAC 116.405 (8) (d), beyond the plain meaning of the language as defined by Black’s Law.

The specific facts surrounding a board’s failure to obtain at least three bids from three reputable service providers before purchasing service for the association will be determined based upon the circumstances around the decision at the time the decision was made.

NRS 624.700 Engaging in business or submitting bid without license unlawful; prosecution; damages; bid submitted in violation of section void.

1. It is unlawful for any person or combination of persons to:

(a) Engage in the business or act in the capacity of a contractor within this State; or

(b) Submit a bid on a job situated within this State,

without having an active license therefor as provided in this chapter, unless that person or combination of persons is exempted from licensure pursuant to [NRS 624.031](#).

Unit owner feels that the executive board has not complied—take action

(1) If a unit owner feels that the executive board has not complied with NAC 116.405 (8) (d) in the award of a contract or purchase of service with the association, an affidavit should be filed with the Office of the Ombudsman which sets forth documented facts concerning the award of a specific contract which the complainant alleges violates this law.

(2) The Division will investigate a fact specific complaint to determine whether there is substantiated evidence to allege that a board or board member has violated the law by not obtaining at least three bids.

(3) The Commission would determine whether the factual allegations constitute a violation of the duty of an executive board to obtain, when practicable, at least three bids from reputable service providers who possess the proper licensing before purchasing any such service for use by the association.

NRS 116.31183 Retaliatory action prohibited; separate action by unit's owner.

An executive board, a member of an executive board, a community manager or an officer, employee or agent of an association **shall not take**, or **direct or encourage** another person to take, any retaliatory action against a unit's owner because the unit's owner has:

(b) Recommended the selection or replacement of an attorney, community manager or vendor; or

Professional Providers

Professional Providers

- ▶ Attorneys
- ▶ Accountants (CPA)
- ▶ Community Managers
- ▶ Insurance Agents
- ▶ Reserve Study Specialists
- ▶ Security Specialists
- ▶ Parliamentarian



Professional Providers

▶ Attorneys

- Clarification of governing documents
- Amendment of governing documents
- Commence or respond to legal action
- Explain NRS
- Review contracts

▶ Accountants (CPA)

- Set up accounting system
- Produce financial statements
- Audit and review
- Tax and investment advice



Professional Providers

- ▶ Community Managers
 - General management of the community
 - Access to resources
- ▶ Reserve Study Specialists
 - Reserve Study
 - Fund planning



Service Providers

- ▶ Contractors
- ▶ Carpenters
- ▶ Electricians
- ▶ HVAC Specialists
- ▶ Pest Control
- ▶ Plumbers
- ▶ Landscaper
- ▶ Waste Management



Request For Proposal Process

- ▶ Identify Needs
 - Landscape Maintenance vs. Landscape Architect
 - Arborist vs. Horticulturalist
 - Consult the reserve study
 - Consult Engineer then asphalt company
- ▶ Develop Request for Proposal (RFP)
 - Be as specific as possible
 - Compare apples to apples(price not only factor)
- ▶ Distribute RFP to potential providers
 - Deadline for response
- ▶ Open Bids at a regular meeting
- ▶ Select provider, finalize contract
- ▶ Monitor project



Request for Proposal

- ▶ Ask potential vendors to bid on your project
 - Bids should be comparable
 - Bidders should know what the project entails
- ▶ Complex projects may require consultant to help prepare RFP
- ▶ Compare apples to apples
- ▶ Be as specific as possible
 - Scope of work, quality of materials
- ▶ Consider “change orders”
- ▶ Cost overruns
- ▶ Project management



Selecting a Provider

- ▶ Credentials
 - Professional license, business license
- ▶ Project \$ limits
 - Sufficient to manage the project
- ▶ Insurance
 - Liability, Workers Compensation
- ▶ References/Experience
 - At least three
- ▶ Complaints
 - Regulatory agency, Better Business Bureau
- ▶ Written Contract
 - Spell it out, including payment terms



Required Disclosures

- ▶ General Contractor
 - NRS 624.600
 - NAC 624.693
- ▶ Swimming Pools & Spas
 - NRS 624.920, 624.935
- ▶ Mechanics and Material-men's Liens
 - NRS 108.221 and 108.246
- ▶ Nevada State Contractors Board
 - www.ncsb.nv.gov; www.nvcontractorsboard.com



NAC 624.693 Informational form regarding mechanics' and materialmen's liens

TO ENSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

1) Request that your contractor supply you with a payment and performance bond, which guarantees **completion of your project** and **payment** of the **subcontractors, laborers** and **suppliers of materials** who work on the project

(2) Require that payments be made directly to subcontractors, laborers and suppliers of materials through a mechanism that controls payment for construction.

Suggested Payment Practices

Issue joint checks for payment, made payable to both your contractor and the subcontractors, laborers and suppliers of materials who were involved in the project

Those persons or entities have indicated that they may have the right to place a lien on your property, and therefore you need to protect yourself. Making checks jointly payable will help to ensure that all persons due payment are actually paid.

Waiver and Release Form

Require your contractor to provide you with unconditional “**waiver and release**” (lien release) forms so that when you make a payment on any completed phase of your project, each subcontractor, laborer and supplier of materials involved in that portion of the work for which the payment was made can sign the waiver and release forms.

This protects you from liability to them for work for which they have already been paid.

To protect yourself by use of a waiver and release form, you must be certain that all subcontractors, laborers and suppliers of materials who work on your project sign a waiver and release form.

TO PROTECT YOURSELF FULLY, YOU SHOULD CONSULT AN ATTORNEY:

(1) BEFORE YOU SIGN A CONSTRUCTION CONTRACT; OR

(2) IF A LIEN IS FILED AGAINST YOUR PROPERTY.

Red Flags



- ▶ Can't verify name, address, phone or credentials of contractor's business
- ▶ Can't verify that the contractor is licensed, bonded and/or insured.
- ▶ Can't get references.
- ▶ The contractor asks you to get building permits.
- ▶ You are asked for a large down payment.
- ▶ You are asked to pay in full before the job is started.



Bids & Comparing Service Providers

Opening Bids

- ▶ Bids must be opened read aloud at a regular meeting of the executive board – open to owners
- ▶ Bidders should NOT be present
 - Obtain clarification at a later date
- ▶ Compare bids to Request for Proposal
- ▶ All questions answered
- ▶ Select the bid that best meets the needs of the association – not necessarily the least expensive

NRS 116.31086 Solicitation of bids for association project; bids to be opened at meeting of executive board.



Bid Matrix–Company Factors

Company	Criteria 1 License	Criteria 2 Insurance	Criteria 3 References	Criteria 4 Complaints	Total Score
A	10	9	9	-6	22
B	10	9	8	-1	26
C	10	9	9	-8	20
D	10	8	6	-3	21
E	10	10	10	0	30
F	10	10	9	-1	28



Bid Matrix–Price

Company	Task 1	Task 2	Task 3	Total
A	\$7,000	\$2,500	\$4,000	\$13,500
B	\$3,000	\$2,000	\$3,000	\$8,000
C	\$11,000	\$5,000	\$6,000	\$22,000
D	\$4,500	\$2,000	\$4,750	\$11,250
E	\$5,000	\$3,300	\$5,250	\$13,550
F	\$6,989	\$1,800	\$3,800	\$12,589



Contracts

Contracts – Types

- ▶ Specific projects
 - Limited time and task
 - Roof repair/replacement
 - Major painting projects
 - Building renovation/upgrading

- ▶ Ongoing projects
 - Pool maintenance
 - Landscape maintenance
 - Pest control



Contracts – key points

- ▶ Legal Name of Parties
- ▶ Start/Stop Date, Contingencies
- ▶ Description of work and materials to be used
 - Cost breakdown, materials vs. labor
- ▶ Provider to obtain permits
- ▶ Change orders – who can authorize
- ▶ Completion schedule
- ▶ Payment schedule
- ▶ Proof of licensure, insurance

Verification of completed project–county inspection if required.



Community Manager Contracts

NAC 116A.325

- ▶ Available for all unit owners to review and board members
- ▶ Very detailed– describes authority, expectations, fees, insurance
- ▶ Month-to-month extension allowed
- ▶ No automatic renewal
- ▶ Responsibility for records/assets of the CIC
- ▶ Transfer of records upon termination
- ▶ Can be canceled upon 30 days notice if NRS or NAC violated



Monitoring the Project

Monitoring the Project

- ▶ Board Committee
- ▶ Community Manager
 - Check scope of contract and expertise
- ▶ External Consultant
- ▶ Contractor
 - Periodic Reports to the Board
- ▶ City/County Inspections at key points
- ▶ Final review and “sign-off”



Monitoring the Project–Sharing

What's happening with the association

- ▶ Notify Owners
 - Early and often (avoid surprises)
- ▶ Start/End Time
 - 4am–Midnight? Sundays?
- ▶ Safety
 - Warning Signs, Secured Areas, Worker IDs
- ▶ Traffic Patterns
 - Access, efficiency, inconvenience, detours, children



Board Prohibitions

Board Prohibitions –Gifts

▶ NRS 116.31185

- 1. a member of an executive board, an officer of an association or a community manager shall not solicit or accept any form of compensation, gratuity or other remuneration that:

(a) Would improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons; or

(b) Would result or would appear to a reasonable person to result in a conflict of interest for those persons.



Board Prohibitions

- ▶ NRS 116.31187
- ▶ Board members shall not...
 - ...enter into a contract or renew a contract with the association to provide financing, goods or services to the association; or
 - Otherwise accept any commission, personal profit or compensation of any kind from the association for providing financing, goods or services to the association.



Bribery– Manager or Board Member

- ▶ NRS 116.31189
 - Soliciting, receiving or offering a bribe
 - Category D Felony

- ▶ NRS 193.130
 - Not less than 1 year, or more than 4 years in prison
 - \$5,000 fine unless statute allows for a greater fine



Reporting Gifts

- ▶ Community Managers – NAC 116.482
 - \$500 annual cap
 - Report gifts that exceed \$15
- ▶ Executive Board/Officers –NAC 116.480
 - \$100 annual cap
 - Report gifts that exceed \$15



Summary

- ▶ Hiring experts & professionals can be tricky and tedious
- ▶ Start with a well researched Request for Proposal
 - Check licensure, insurance, references, experience
 - Form a committee to research companies
- ▶ Open bids at a regular meeting
 - Select provider
 - Prepare contract (consult legal counsel)
 - Get all questions answered before final decision
- ▶ Monitor project
 - Keep owners informed
 - Be sure all work is completed to your satisfaction



QUESTIONS?

- ▶ Web Site
 - www.red.nv.gov
- ▶ Phone
 - 702.486.4480/877.829.9907/775.687.4280
- ▶ FAX
 - 702.468.4520/775.687.4868
- ▶ E-Mail
 - OMBCLASSES@red.state.nv.us
- ▶ Office Locations
 - 2501 East Sahara Ave, Suite 202, Las Vegas, NV 89104



Resources

Resources

- ▶ Nevada State Contractors Board
 - www.ncsb.nv.gov; www.nvcontractorsboard.com
- ▶ Better Business Bureau
 - www.sn.bbb.org; www.reno.bbb.org
- ▶ State Bar of Nevada
 - www.nvbar.org
- ▶ State Board of Accountancy
 - www.nvaccountancy.com
- ▶ Nevada Division of Insurance
 - www.doi.nv.gov
- ▶ Nevada Attorney General (consumer protection/fraud)
 - www.ag.state.nv.us



More Resources

- ▶ Nevada Secretary of State
 - www.nvsos.gov
- ▶ Clark County
 - www.accessclarkcounty.com
- ▶ City of Las Vegas
 - www.lasvegasnevada.gov
- ▶ Washoe County
 - www.washoecounty.us
- ▶ City of Reno
 - www.reno.gov
- ▶ Carson City
 - www.carson.org



Mediation Resources

- ▶ Office of the Ombudsman
 - 2501 E. Sarah Avenue, Las Vegas 89104
 - 702.486.4480/877.829.9907/775.687.4280
- ▶ Neighborhood Justice Center
 - 330 South 3rd Street, Las Vegas, 89101
 - 702.455.3898
- ▶ Henderson Mediation Program
 - 240 Water Street, Henderson 89009
 - 702.267.2000
- ▶ Neighborhood Mediation Center
 - 200 Ridge Road, Suite 230, Reno, 89501
 - 775.788.2127



Reference Slides

NRS 624.700 Engaging in business or submitting bid without license unlawful; prosecution; damages; bid submitted in violation of section void.

1. It is unlawful for any person or combination of persons to:

(a) Engage in the business or act in the capacity of a contractor within this State;
or

(b) Submit a bid on a job situated within this State,
without having an active license therefor as provided in this chapter, unless that
person or combination of persons is exempted from licensure pursuant to [NRS
624.031](#).

2. The district attorneys in this State shall prosecute all violations of this section
which occur in their respective counties, unless the violations are prosecuted by the
Attorney General. Upon the request of the Board, the Attorney General shall prosecute
any violation of this section in lieu of prosecution by the district attorney.

3. In addition to any other penalty imposed pursuant to this chapter, a person
who is convicted of violating subsection 1 may be required to pay:

- (a) Court costs and the costs of prosecution;
- (b) Reasonable costs of the investigation of the violation to the Board;
- (c) Damages the person caused as a result of the violation up to the amount of
the person's pecuniary gain from the violation; or
- (d) Any combination of paragraphs (a), (b) and (c).

4. If a person submits a bid or enters into a contract in violation of subsection 1,
the bid or contract shall be deemed void ab initio.

NRS 624.600 Required disclosures by general building contractor.

A general building contractor shall provide in writing to the owner of a single-family residence with whom he or she has contracted:

1. The name, license number, business address and telephone number of:

(a) All subcontractors with whom he or she has contracted on the project; and

(b) All persons who furnish material of the value of \$500 or more to be used in the project.

2. A notice that a person described in subsection 1 may record a notice of lien upon the residence of the owner and any building, structure and improvement thereon pursuant to the provisions of [NRS 108.226](#).

3. An informational form, whose contents must be prescribed by the Board, regarding:

(a) Contractors pursuant to this chapter; and

(b) Mechanics' and materialmen's liens pursuant to [chapter 108](#) of NRS.

NRS 624.920 License or other authorization required to perform work concerning residential pool or spa.

A person shall not, directly or indirectly, perform or offer to perform, for a fee, any work concerning a residential pool or spa or any consultation or supervision concerning such work or otherwise hold himself or herself out as being able to perform such acts for a fee, unless the person holds:

1. A license as a contractor or subcontractor under state law which authorizes the person to perform such acts for a fee; or
2. Any other license, certificate, registration or permit under state law which authorizes the person to perform such acts for a fee.

(Added to NRS by [2005, 2376](#))

RESIDENTIAL SWIMMING POOLS AND SPAS

NRS 624.935 Duties of contractor regarding commencement, performance and completion of work; contract to explain rights of customer; conditions for final payment.

1. A contractor who receives an initial down payment or deposit of \$1,000 or 10 percent of the aggregate contract price, whichever is less, for work concerning a residential pool or spa shall start the work within 30 days after the date all necessary permits for the work, if any, are issued, unless the person who made the payment agrees in writing to a longer period to apply for the necessary permits or start the work or to longer periods for both.

2. A contractor who receives money for work concerning a residential pool or spa shall complete the work diligently and shall not refuse to perform any work for any 30-day period.

3. If satisfactory payment is made for any portion of the work performed, the contractor shall, before any further payment is made, furnish the owner a full and unconditional release from any claim of mechanic's lien for that portion of the work for which payment has been made.

4. The requirements of subsection 3 do not apply if the contract provides for the contractor to furnish a bond for payment and performance or joint control covering full performance and completion of the contract and the bond or joint control is furnished by the contractor.

5. A contract for work concerning a residential pool or spa must contain a written statement explaining the rights of the customer under [NRS 624.900](#) to [624.965](#), inclusive, and other relevant statutes.

6. A contractor may require final payment for the final stage or phase of the construction of a residential pool or spa after the completion of the plastering and the final inspection by the local building department, unless any installation of equipment, decking or fencing that is required in the contract is not completed.

NAC 624.693 Informational form regarding mechanics' and materialmen's liens.

Pursuant to [NRS 108.221](#) to [108.246](#), inclusive, a contractor, subcontractor, laborer, supplier of materials or other person or entity who:

- (1) Performs work or furnishes materials of the value of \$500.00 or more to improve the value of your property; and
- (2) Is not paid for the work or materials,
has a right to place a lien on your property on which the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your property could be sold by an officer of the court and the proceeds of the sale used to satisfy the amount you owe. If you did not ask for and receive releases of liens from the contractors' subcontractors, laborers or suppliers of materials, a lien may be placed on your property or you may be sued even if you have paid your contractor in full.

To preserve their right to file a claim or lien against your property, certain claimants, such as subcontractors, laborers and suppliers of materials, are each required to provide you with a document called a "preliminary or pre-lien notice." A preliminary or pre-lien notice is not a lien against your property. Its purpose is to notify you regarding persons or entities who may have a right to file a lien or claim against your property if they are not paid. To perfect their lien rights, contractors, subcontractors, laborers and suppliers of materials must file mechanics' liens with the county recorder, which then become recorded liens against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days after substantial completion of your project.

NAC 624.693 ENSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

(1) Request that your contractor supply you with a payment and performance bond, which guarantees completion of your project and payment of the subcontractors, laborers and suppliers of materials who work on the project. This payment and performance bond is different from the surety bond that a contractor must file for licensure pursuant to [NRS 624.270](#). A payment and performance bond provides that if the contractor does not complete the project, the bonding company will pay damages up to the amount of the bond. This payment and performance bond, as well as a copy of the construction contract, should be filed with the county recorder for your further protection. There is a fee for a payment and performance bond. This fee is usually equal to between 1 and 6 percent of the amount of the contract, depending on the ability of the contractor to be bonded.

(2) Require that payments be made directly to subcontractors, laborers and suppliers of materials through a mechanism that controls payment for construction. In the area in which you live, services to control the funding of your project may be available, for a fee, to control payment of your contractor by the use of vouchers or other means. These services may also provide you with waivers of liens and other forms of protection.

(3) Issue joint checks for payment, made payable to both your contractor and the subcontractors, laborers and suppliers of materials who were involved in the project or portion of the project for which payment is due and who sent a preliminary or pre-lien notice to you. Those persons or entities have indicated that they may have the right to place a lien on your property, and **therefore you need to protect yourself**. Making checks jointly payable will help to ensure that all persons due payment are actually paid.

NAC 624.693 ENSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

(3) Issue joint checks for payment, made payable to both your contractor and the subcontractors, laborers and suppliers of materials who were involved in the project or portion of the project for which payment is due and who sent a preliminary or pre-lien notice to you. Those persons or entities have indicated that they may have the right to place a lien on your property, and therefore you need to protect yourself. Making checks jointly payable will help to ensure that all persons due payment are actually paid.

(4) Require your contractor to provide you with unconditional “waiver and release” (lien release) forms so that when you make a payment on any completed phase of your project, each subcontractor, laborer and supplier of materials involved in that portion of the work for which the payment was made can sign the waiver and release forms. This protects you from liability to them for work for which they have already been paid.

- Some stationery stores sell waiver and release forms if your contractor does not have them. The subcontractors, laborers and suppliers of materials from whom you obtain releases should be those persons or entities who have filed preliminary or pre-lien notices with you. If you are not certain which subcontractors, laborers and suppliers of materials are working on your project, you may obtain a list from your contractor. In regard to projects involving improvements to a single-family residence or a duplex owned by an individual, the persons signing these releases lose their right to file a mechanics’ lien against your property. In regard to other types of projects, obtaining such releases may still be important, but may not provide complete protection.

- To protect yourself by use of a waiver and release form, you must be certain that all subcontractors, laborers and suppliers of materials who work on your project sign a waiver and release form. If a mechanics’ lien has already been filed against your property, in most cases the lien can only be released voluntarily by a recorded “release of mechanics’ lien,” which is signed by the person or entity that filed the mechanics’ lien against your property. However, if the person or entity that filed the lien fails to bring an action to enforce the lien in a timely manner, the lien may be removed without voluntary action on the part of that person or entity. You should not make final payment on your project until all mechanics’ liens that are filed against your property have been removed.

TO PROTECT YOURSELF FULLY, YOU SHOULD CONSULT AN ATTORNEY:

- (1) BEFORE YOU SIGN A CONSTRUCTION CONTRACT; OR
- (2) IF A LIEN IS FILED AGAINST YOUR PROPERTY.

NRS 116.31086 Solicitation of bids for association project; bids to be opened at meeting of executive board.

1. If an association solicits bids for an association project, the bids must be opened during a meeting of the executive board.

2. As used in this section, “association project” includes, without limitation, a project that involves the maintenance, repair, replacement or restoration of any part of the common elements or which involves the provision of services to the association.

(Added to NRS by [2009, 1099](#))

NAC 116.480 Restriction on and statements by members of executive boards and officers of associations. ([NRS 116.31185](#), [116.615](#))

1. No member of an executive board or officer of an association shall receive, in the aggregate, any gift, incentive, gratuity, reward or other item of value pursuant to subsection 2 of [NRS 116.31185](#) in any calendar year which exceeds the sum of \$100.

2. On or before the annual distribution to each unit's owner of the budgets of the association pursuant to subsection 1 of [NRS 116.31151](#), each member of an executive board and officer of an association shall deliver to the executive board for inclusion in the annual distribution of the budgets a statement of any gifts, incentives, gratuities, rewards or other items of value which exceed \$15 received pursuant to subsection 2 of [NRS 116.31185](#).

(Added to NAC by Comm'n for Common-Interest Communities by R205-05, eff. 9-18-2006)

NAC 116.482 Restriction on and statements by community managers and employees of community managers. ([NRS 116.31185](#), [116.615](#))

1. No community manager or employee of the community manager shall receive, in the aggregate, any gift, incentive, gratuity, reward or other item of value pursuant to subsection 2 of [NRS 116.31185](#) in any calendar year which exceeds the sum of \$500.

2. On or before the date of renewal of a license for a community manager, each community manager shall disclose to the Division, in the renewal form, a statement of any gifts, incentives, gratuities, rewards or other items of value which exceed \$15 received pursuant to subsection 2 of [NRS 116.31185](#) during each of the years following the last renewal.

(Added to NAC by Comm'n for Common-Interest Communities by R205-05, eff. 9-18-2006)