

Fall 2025 Issue

Community Insights

DEPARTMENT OF BUSINESS &
INDUSTRY

Common Interest Communities &
Condominiums Hotels



Fall into Fiscal Focus

Budgeting for Stronger Communities

A season of strategy, stewardship, and
financial clarity for your HOA.

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The Foundation of Community: A Closer Look at Governing Documents



As the landscape of community living evolves, it is essential to find a steady footing in the foundational principles that guide our shared spaces. Just as a well-built home begins with a solid foundation, thriving in a common-interest community (CIC), whether a planned community, condominium, cooperative or a condominium hotel requires a clear understanding of the governing documents that shape its structure and function.

Using the analogy of constructing a home, we can better appreciate how each layer of governance builds upon the one beneath it, forming a cohesive and legally sound framework. Each component must align with and support the foundational layer, ensuring consistency and stability throughout the community.

Foundation: Federal/Local Law and State Statutes

Before any construction begins, the land must be secured and the building codes understood. In the context of CICs, this foundational layer is represented by federal and local laws followed by state statutes — specifically, Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) 116. These laws establish the legal groundwork upon which all community governance is built, outlining the rights, responsibilities, and obligations of associations and homeowners.

Property Boundaries and Blueprints: The Declaration (CC&Rs)

Once the land is ready, the next step involves defining property lines and approving the blueprint. This corresponds to the Declaration of Covenants, Conditions, and Restrictions (CC&Rs). This recorded document serves as the operational backbone of the community, encumbering all homeowners to abide by a set of rules and expectations. The CC&Rs articulate the purpose of the association and the obligations of its members.

Framing the Structure: Articles of Incorporation

With the foundation and blueprint in place, the framing of the house begins. In a CIC, this is represented by the Articles of Incorporation or other documents of organization, which formally establish the association as a legal entity. Filed with the Nevada Secretary of State, these documents establish the formation of the corporation as a legal entity in the state of Nevada.

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Interior Design: Rules and Regulations

Finally, the interior design brings the home to life. In a CIC, this is reflected in the *Rules and Regulations*, which govern day-to-day living. These guidelines must align with all preceding layers and may address practical matters such as parking, noise, landscaping, and use of common areas. They play a vital role in preserving harmony and enhancing the community's quality of life.

In sum, understanding your community's governing documents is key to informed and empowered living. Many common questions—from architectural approvals to dispute resolution—can be answered within these documents. If you haven't reviewed them recently, consider doing so. They are available through your board of directors or community manager. Because the CC&Rs must be recorded in every county in which a portion of the CIC is located, a copy can also be obtained at the county assessor's office.

By viewing this process through the lens of a home-building analogy, we aim to provide a clearer understanding of how each document serves as a foundational element. Just as a well-built home offers safety and comfort, these documents work together to foster a community where individuals feel empowered with a deeper understanding of their rights and responsibilities.

Understanding AB 356:

What HOAs in Southern Nevada Need to Know

As we head into fall, Associations (HOAs) should be well underway with the removal of nonfunctional turf. Assembly Bill (AB 356), Nevada's law targeting nonfunctional turf, passed in 2021. This legislation is designed to conserve water by requiring the removal of "non-functional turf" in many commercial, multi-family, and government properties by January 1, 2027.

What Is "Non-Functional Turf"?

Under AB 356, "nonfunctional turf" means irrigated grass that does not provide a functional use. Some typical examples:

- Decorative grass along streets, sidewalks, and medians
- HOA-managed strips or patches of grass with no direct recreational use
- Grass adjacent to buildings or parking areas with no designated function

By contrast, "functional turf" includes areas like athletic fields, playgrounds, and other spaces with clear recreational or community benefit.

Why It Matters for HOAs

- **Water Conservation:** Removing nonfunctional turf saves millions of gallons annually, helping secure the valley's long-term water supply.
- **Financial Savings:** Completing projects sooner ensures HOAs get the highest possible rebate rates.
- **Compliance:** Non-compliance after 2027 may result in penalties or enforcement action.
- **Planning Ahead:** Turf conversion projects can be costly, updating reserve studies helps communities' budget appropriately.

Who Must Comply

- Properties that are commercial, multi-family, or government use will need to remove or stop irrigating nonfunctional turf by January 1, 2027, using Colorado River water through Southern Nevada Water Authority (SNWA) member agencies.
- Existing single-family residences are not currently required to remove functional turf in front or backyard lawns.
- Common areas managed by an HOA (such as landscape strips, streetscape turf, etc.) even if adjacent to single-family homes may be considered nonfunctional under the law if they are not exclusively used for single-family residential purposes.

Step 1: Identify Turf Areas • Map all turf in common areas. • Separate "functional" from "nonfunctional" based on SNWA guidelines.	Step 2: Get Professional Input • Request quotes from certified landscapers. • Ask about drought-tolerant plant options and drip irrigation systems.	Step 3: Plan Financially • Update your reserve study with estimated turf conversion costs. • Decide whether to phase projects over time or complete them before rebate changes.
Step 4: Apply for Rebates • Schedule a pre-conversion site visit with SNWA. • Submit rebate applications before work begins.	Step 5: Explore Waivers (If Applicable) • If turf is actively used for community purposes, gather documentation and apply for a waiver.	Step 6: Track Compliance Deadlines • January 1, 2027 – All nonfunctional turf must be removed or irrigation stopped. Cont'd on page 10

Fall into Fiscal Focus – Understanding Your HOA’s Budget Process

As autumn arrives and communities prepare for the new year, it’s the perfect time to “fall into fiscal focus.” NRS 116.31151 requires the executive board to adopt a proposed budget for the upcoming fiscal year. Understanding what happens next, and why it matters, is key to supporting long-term financial health.

Additionally, the executive board must mail or deliver a summary of the proposed budget to each unit owner not less than 30 days or more than 60 days before the beginning of the fiscal year. Then, after adoption and mailing of the budget, a ratification meeting must be held between 14 and 30 days. Unless a majority of unit owners (or more, if required by your governing documents) reject the proposed budget at that meeting, it is automatically ratified, regardless of whether a quorum is present.



This process gives homeowners the opportunity to review and provide input, while also ensuring the association stays on track with maintenance and reserve funding needs. Reviewing your operating budget and reserve contributions now helps avoid surprises later, especially when paired with a timely reserve study and clear reporting of operating account activity.

 **TIP:** Want to learn more about reserve funding best practices? The Ombudsman’s Office offers free education classes for homeowners and board members.

Rake in the Reserves - Why Reserve Studies Matter



Just like you wouldn’t skip a seasonal home maintenance check, your community’s reserve study shouldn’t be overlooked either. Required by NRS 116.31152, reserve studies are a vital planning tool that help communities anticipate and prepare for large-scale repairs or replacements—such as roofing, paving, pool resurfacing, or major mechanical systems.

Every common-interest community in Nevada must conduct a reserve study at least once every five years and review it annually. This study evaluates the useful life and cost of maintaining shared assets, then helps determine how much the association should contribute each year to its reserve account.

Without a reserve study, communities risk unexpected assessments, deferred maintenance, or budget shortfalls—especially in aging developments. By keeping your reserve study up to date, you support long-term sustainability and help avoid surprises down the road.

Quick Check:

- Has your board reviewed the reserve study this year?
- Are monthly contributions aligning with an adequate funded reserve account?
- If not, are steps being taken to address this matter?



Fall Tip: Just like preparing your home for the colder months, your HOA should prepare its finances for the future through a thorough Reserve Study. Under NRS 116.31152, every study must include:

- A detailed inspection of major components your association must maintain or replace
- An estimate of each component's remaining useful life and repair costs
- A plan to ensure there's adequate funding for long-term maintenance

FAQ: RESERVE STUDIES IN NEVADA

Q: How often is a reserve study required?

● At least once every 5 years, with annual reviews and adjustments.

Q: Who pays into the reserve fund?

● Assessments paid by homeowners fund the reserve account.

Q: Can I see the reserve study?

● Yes! Under NRS 116.31175, homeowners have the right to request and inspect reserve study records.

Q: What happens if the association skips it?

● Associations that don't complete or update a reserve study risk financial shortfalls and possible NRED enforcement.



Understanding Your Operating Account



The operating account is the workhorse of your community's finances. It's designed to cover day-to-day expenses such as utilities, landscaping, routine maintenance, management fees, and insurance premiums. Unlike reserve accounts, which are set aside for long-term maintenance, the operating account ensures the community runs smoothly on a daily basis.

Strong financial practices are critical. Boards should regularly review bank statements, reconcile monthly reports, and maintain proper approvals for larger expenditures. Importantly, operating funds must remain separate from reserve funds. This not only ensures compliance with NRS 116 standards but also helps prevent confusion, mismanagement, or financial shortfalls.

By keeping operating accounts well-managed, boards foster transparency, accountability, and trust among homeowners, cornerstones of a successful common-interest community.



Quick Tip Corner: Operating Account Do's and Don'ts

Your HOA's operating account is the financial heartbeat of the community, covering everyday expenses like landscaping, utilities, and management fees. Keeping it healthy ensures smooth operations and avoids financial headaches down the road.

Do: Use operating funds strictly for day-to-day expenses, nothing more.

Do: Require board approval for large or unexpected expenditures.

Don't: Mix operating funds with reserve funds. Nevada law requires financial separation to protect both short-term operations and long-term planning.

A well-managed operating account not only supports your community's immediate needs and may reduce the possibilities of a special assessment.

Year-End Review: Strengthening Your HOA Practices

As the year comes to a close, boards have an opportunity to reflect on their performance and ensure compliance with NRS 116, NAC 116, and their governing documents. A practical way to do this is by creating a Year-End Scorecard, a checklist that evaluates key responsibilities.

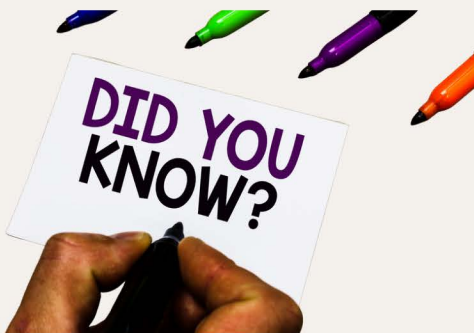
Questions to ask include:

- Did the board hold quarterly executive board meetings and allow owners to speak?
- Was the reserve study reviewed and updated as necessary?
- Were budgets properly adopted, distributed, and ratified?
- Did the association obtain adequate insurance, review vendor contracts, and maintain records?
- Were financial reviews or audits conducted as required?



This type of self-assessment helps boards identify strengths, address gaps, and set goals for the upcoming year. Ultimately, the Year-End Review promotes accountability, ensures compliance, and strengthens trust between the board and the community.

Fun Facts: Quarterly Check-In Required!

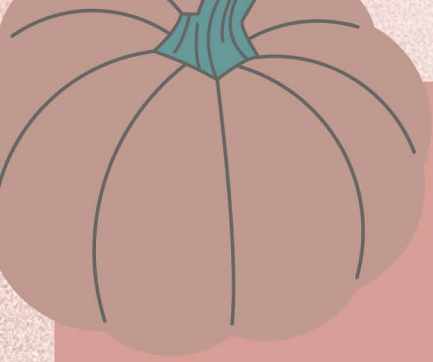


Did you know that your HOA board must review key financial reports at least once every quarter, and not less than once every 100 days under NRS 116.31083(7)?

These reviews include:

- Year-to-date financial statements and budget comparisons
- Operating and reserve account reconciliations
- Bank statements
- Updates on any active legal actions or claims

This ensures fiscal responsibility in every season!



Follow the fall watering schedule to save water—and money

Provided by Tom Bradley Jr.

Many things signal the arrival of fall—football's back, there's pumpkin spice on just about everything edible (and drinkable), and we're breaking out our warmer clothes. Fall also is a perfect time of year to save water by following the community's mandatory fall watering restrictions.

In effect from Sept. 1 through Oct. 31, the seasonal watering restrictions limit landscape irrigation to three assigned days per week. You can find your assigned watering days at snwa.com.

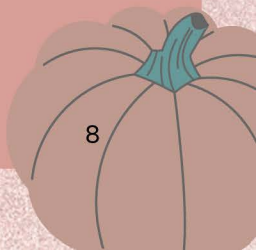
Remember—watering outside of your assigned watering days can result in costly water-waste fines, and spray watering is prohibited on Sunday all year long.

To further boost conservation this fall—and help manage your monthly bill—water plants and trees on a recommended two-day-a-week schedule, but for longer durations based on the flow rate of your emitters. Grass should be watered **ONLY** three days a week. While this may not sound like much, keep in mind that temperatures are getting cooler, meaning your landscape can stay vibrant and healthy throughout the season with even less water than you think. Remember: Drip It, Don't Drown It!

“In effect from Sept. 1 through Oct. 31”

If you have a grass landscape, be sure to continue running your spray irrigation systems during the early morning hours through October to help minimize water lost to evaporation and avoid watering on windy or rainy days. And be sure to inspect and test your system on a regular basis to prevent overspray onto sidewalks and streets, which could result in a water-waste fee.

Find more information about the community's seasonal watering restrictions and helpful tips to keep your landscape lush and happy all year long at snwa.com.



Ombudsman's Office - Out in the Community

Written By Noelle Garcia

I had the pleasure of attending the CA Day Conference presented by the Community Association Institute (CAI) on August 22, 2025, at the Suncoast Hotel and Casino. The event titled **"And the Beat Goes On: Magic through the Decades"** highlighted the 2025 Legislative Updates as well as a tradeshow with vendors and sponsors dressed for the theme from the Wedding Singer to Ozzy Osbourne.

This was my first time attending CA Day in my role as the Education and Information Officer, and I was excited to introduce myself to the community alongside the Ombudsman just before the legislative presentation began.



During the three-hour presentation portion of the day, we heard from four attorneys representing both Northern and Southern Nevada that delivered an update on the 2025 Legislative Session. It was informative to hear from Adam Clarkson, Greg Kerr, Cheri Hauer, and Sheila Van Duyne. While the session could have easily extended beyond its scheduled time, the presenters focused on key legislative developments, including bills specific to common-interest communities (CICs), legislation with ancillary relevance to community associations, bills that died, and those sponsored by CAI LAC. Additionally, several vendors highlighted the importance of their specific trade such as non-functional turf conversion, solar panels, and insurance in common-interest communities (CIC).

After the presentation, we moved to the tradeshow floor, where we could hear some of the interests in the legislative session and shaking hands with new members while catching up with veterans in the industry. The music was pumping, and voices were chattering as information, fun giveaways, and swag items were flying off the tables.

Being out in the community, seeing the faces of support, and talking shop with those in the industry is always fun! It was great to hear the valuable information provided by the panel and I look forward to the next outing.

From the Inbox: Your Most Commonly Questions Answered

What are "governing documents"?

- Governing documents include the Articles of Incorporation, CC&Rs (Covenants, Conditions, and Restrictions), Bylaws, and Rules & Regulations. They define how the HOA operates and set requirements for owners and boards.

Can a CAM make decisions without board approval?

- CAMs act on behalf of the board based on the authority granted in the governing documents and management agreement.

What are the requirements for board meetings and virtual meetings?

- NRS 116.31083 outlines meeting requirements, quorum, and notice.
- Virtual meetings may be permitted if allowed by the governing documents and must still comply with statutory notice.

Harmony at Home: ADR for CIC Communities

Encouraging collaboration and understanding among neighbors

Written by Mark Wagstaff



Serving as the Alternative Dispute Resolution (ADR) Facilitator for the Nevada Real Estate Division has provided me with the invaluable opportunity to develop deep expertise in the ADR process as mandated by Nevada Revised Statutes (NRS) 38.

Over time, this role will allow me to become a Subject Matter Expert (SME) in facilitating an understanding of the dispute resolution mechanism specifically for Common-Interest Communities (CICs).

Living in a CIC offers a unique, community-oriented lifestyle, but it also comes with a complex framework of rights and responsibilities. Disputes among homeowners, board members, and associations often arise due to differing interpretations or enforcement of governing documents such as CC&Rs, bylaws, or rules and regulations. Knowing how to navigate these disputes is essential—not only to maintain harmony within the community but also to work towards achieving a fair and amicable outcome.

For years, Nevada's ADR Program has been a cornerstone of conflict resolution within common-interest communities. It has provided homeowners and associations with an efficient means to bypass costly legal battles, fostering a more harmonious living environment.

The ADR program is deeply rooted in its ability to allow parties to participate in dispute resolution effectively, ensuring that all have a voice in the process.

While the ADR process is mandated by NRS 38, there are steps disputing parties should take prior to considering ADR such as thoroughly reviewing the governing documents as they may outline internal dispute resolution procedures or steps that must be followed prior to filing a complaint. Additionally, attempting to reach an informal resolution is encouraged as this demonstrates cooperation and may help to avoid escalation. Next, keep detailed records of your attempts to resolve the dispute should the dispute proceed with a formal ADR filing or legal action. If these actions fail to bring about a resolution, using ADR is a consideration.

ADR Forms

- 520- Alternative Dispute Resolution (ADR) Claim Form
- 520B- Alternative Dispute Resolution - Additional Respondent Form
- 521- Alternative Dispute Resolution (ADR) Respondent Form
- 532- Alternative Dispute Resolution (ADR) Arbitration Claimant and Respondent Form
- 668-Subsidy Application for Mediation

Should you make the decision to file an ADR complaint through NRED program, you can review the complete ADR process on the Division's website at:

<https://red.nv.gov/uploadedFiles/rednv.gov/Content/CIC/Brochures/ADR-Process-Brochure.pdf?csrt>

Upcoming Events

& EDUCATIONAL OPPORTUNITIES

Stay connected. Stay informed. Stay compliant.

Fall into learning and rise with knowledge this season! Whether you're a CAM, board member, or unit owner, our statute-based classes are here to help you gather insight, strengthen your skills, and support your community's success.



October and November 2025 Education Schedule

October Week 1

The Art of HOA Meetings: Ensuring Productivity and Compliance

October 9 | 12:00–1:30 PM (Virtual)

October Week 2

Candidate to Committee: Everything You Need to Know About HOA Elections

October 14 | 9:00–10:30 AM (Virtual)

October Week 3

Budgeting and Financial Management in a CIC

October 23 | 12:00–1:30 PM (Virtual)

October Week 4

Effective Records Management for CICs

October 28 | 9:00–10:30 AM (In person, Las Vegas)

November Week 1

Reserve Studies

November 6 | 9:00–10:30 AM (Virtual)

November Week 3

Unit Owners' Rights

November 20 | 12:00–1:30 PM (Virtual)



Q1: How often must a reserve study be conducted under NRS 116?

- a. Every year
- b. Every 3 years
- c. Every 5 years
- d. Every 10 years

Q2: What happens if a proposed budget is not rejected by a majority of unit owners at a unit owners (ratification)?

- a. It is void
- b. It is automatically ratified
- c. It must go back for redrafting
- d. It expires in 6 months

Want Us to Teach at Your HOA?

Let us bring the class to you!
Trainings are available for HOA boards and management teams statewide. Request a session:



Virtual and in-person options available.

Fall Word Search

K R A O R A T I F I C A T I O N
S Z H W I K T T E R P Q A U Q
C E Z U N M V A D F A I G A O
I A S T C E Q X H D C Z M R N
I C U G L J Z R M O L C P T S C
U O V O R W O S A Z O K H K E
H X M Q V E I P W I U H T A O
M G Q P G L S Y X X N V V Q M
K E J K B L O P E R A T I N G B
H E K S O U I V J R W K T R Y U
T S G C E D A B L V D H W S D
J I J U Q X E G N E Q E A D J S
G N D R A I Z N E C X X S C J M
O G B H I O J L T T E K T F K A
R X B H R Q U O R U M J D P N

- Ratification
- Ombudsman
- Quorum
- Account
- Compliance
- Reserves
- Owners
- CICCH
- Operating
- Meeting
- Budget
- HOA

Meet Our New Team Members



Noelle Garcia
Education and Information Officer

Noelle has lived in Southern Nevada for approximately 15 years. She brings a strong background in education, having worked at both UNLV and NSU. After her time in higher education, she transitioned into the private sector, taking on leadership roles at a fintech company and later at a semiconductor company, where she focused on program creation, development, and management. She holds a Bachelor of Art degree in Political Science from UCLA and a Master of Science degree in Education from the UNR. In August 2025, she joined the Office of the Ombudsman. As an educator, she is passionate about teaching and learning for all, with a particular interest in scaling programs to meet the evolving needs of organizations and their constituents.



Christopher Hooper
Auditor

Christopher joined the Real Estate Division on June 30, 2025, as an Auditor II for the CIC program. He transferred from the Cannabis Compliance Board and previously served as an auditor at Southern Nevada Adult Mental Health Services. A native of Las Vegas, born in Boulder City, NV, Christopher holds an MBA from the University of Findlay and a BS in Mathematics from the University of Toledo. He currently teaches math at the College of Southern Nevada in the Adult Education Program, helping adults prepare for their high school equivalency exams. Outside of work, he is the Vice Chair of the Winchester Township Advisory Board, which reports to the Clark County Commission, and is an active member of both the local American Legion and The Cadillac & LaSalle Club in Las Vegas. A fun fact about Christopher: his grandparents helped build the Hoover Dam.

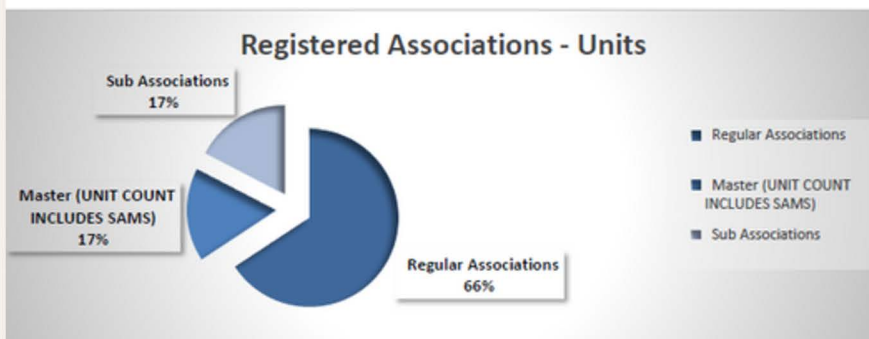
Holiday	Date	Day of the Week
Nevada Day	October 31	Friday
Veterans Day	November 11	Tuesday
Thanksgiving	November 27 and 28	Thursday and Friday
Christmas Day	December 25	Thursday

Ombudsman's Office Information

September 2024 through September 2025

HOA Types	Number of Associations	Number of Units
Regular Associations	2,928	417,904
Master (UNIT COUNT INCLUDES SAMS)	113	107,505
Sub Associations	746	110,428
Hotel Associations	9	5,658
Total	3,796	641,495

*SAM = uses same board as master



R A O R A T I F I C A T I O N
 S Z H W I K T T E R P Q A U Q
 C E Z U N M V A D F A I G A O
 I A S T C E Q X H D C Z M R N
 C U G L J Z R M O L C P T S C
 C O V O R W O S A Z O K H K E
 H X M O V E I P W I U H T A O
 M G Q P G L S Y X X N V V Q M
 E J K B L O P E R A T I N G B
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 I J U Q X E G N E Q E A D J S
 N D R A I Z N E C X X S C J M
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 R X B H R Q U O R U M J D P N

Word search
answer key



In official publication of the

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