

Summary of Key CICCH/HOA Bills

This presentation provides an overview of legislation from Nevada's 83rd legislature affecting Nevada's CICs enacted into law (AB 10, AB 396, SB 201, and SB 440.)





DISCLAIMER



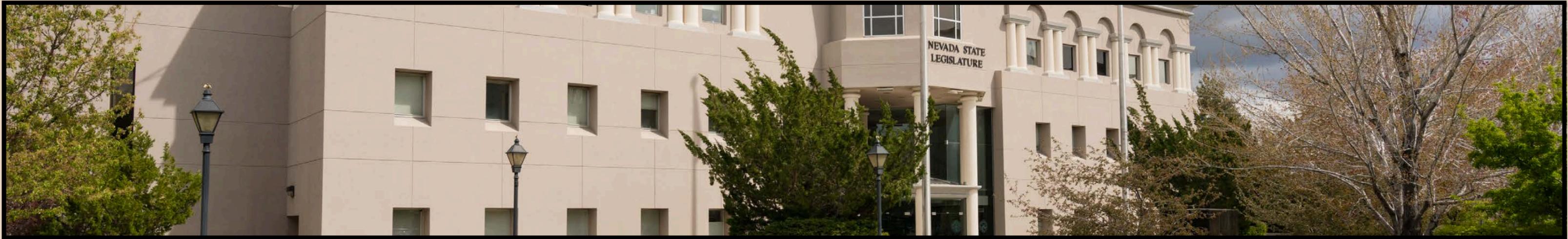
- The information provided in this course is intended for informational and educational purposes only. Nothing in this presentation should be construed as legal advice, a legal opinion, nor a final legal determination, rule, formal position, or formal adjudication of the Division.
- If questions arise that require interpretation or application of the law to your association's specific circumstances, you should consider consulting a legal opinion from a qualified attorney. You may also contact the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels for guidance and resources, but please note that the Ombudsman cannot provide legal advice.
- This class is designed to provide an overview of legislative changes only. For a more comprehensive understanding of what NRS 116 requires, please review the course calendar, training request form, and presentations published on the training webpage at:
http://red.nv.gov/Content/CIC/Program_Training/

Assembly Bill No. 10 (AB10) authorizes counties, cities, and towns in Nevada to include the repair and improvement of privately owned water or sewer systems—specifically those owned by common-interest communities (like HOAs)—as part of neighborhood improvement projects.

Assembly Bill 396 focuses on promoting affordable housing by expanding the use of Accessory Dwelling Units (ADUs) and amending laws related to Common-Interest Communities.

SB201 protects the rights of tenants and homeowners in common-interest communities to display religious or cultural items on their property. It prohibits landlords, unit owners who lease their property, and homeowners' associations (HOAs) from banning these displays under most circumstances.

Senate Bill 440 aims to enhance consumer protection and streamline processes surrounding the installation and use of distributed generation systems—particularly residential solar energy systems in Nevada. The bill introduces new rules governing unit-owners' associations, solar installation companies, and utilities.

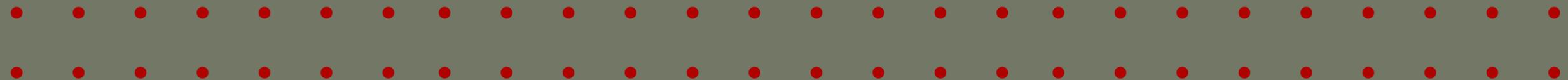


Overview of AB 10

Assembly Bill No.10 (AB10) expands provisions relating to local improvement projects (NRS 271.147) and authorizes counties, cities, and towns in Nevada to include the repair and improvement of water or sewer systems owned by common-interest communities as part of neighborhood improvement projects.

Effective Immediately.

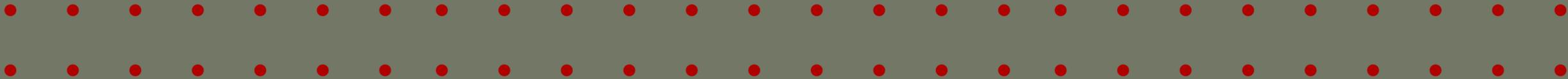
- Adds water and sewer system improvements owned by common-interest communities to the definition of "neighborhood improvement project". NRS 271.147(3).
- Improvement districts for these CIC water/sewer projects cannot be dissolved even if a majority of property owners request dissolution. NRS 271.296(1).
- The local governing body has the sole discretion to decide whether complaints, protests or objections are proper to stop the project. NRS 271.306.
- Residents written complaints, protests or objections thereto do not automatically halt these projects. NRS 271.306(5).
- These projects are exempt from annual amendment and notice requirements for assessment roll. NRS 271.377.





Examples:

- Under the new bill, counties may now step-in for failing private systems, i.e. association's sewer repair project.
- But private homeowners are still responsible for the cost - the county funds the project using municipal bonds, repaid through long-term assessments or liens on each property, possibly \$300–\$500 per year for 20 years. **The actual cost and duration depend on the project's total cost and the number of properties in the district. **
- Loss of community veto power to halt projects. Instead, the governing body determines whether to proceed is necessary. NRS 271.306(5).
- Enables local entities to facilitate necessary work, allowing communities to move forward with essential repairs.





Overview of AB 396

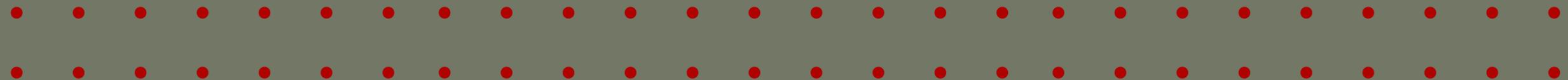
Assembly Bill No. 396 (AB396), was a significant bill, amending NRS 278, NRS 116.2117, 2118, 31065, 335, 4109, and 785 addressing statewide access to affordable housing by mandating large counties/cities adopt ordinances authorizing Accessory Dwelling Units (ADUs) and making various changes related to common-interest communities.

Effective date:

1. Sections 1 to 13 of this act become effective upon passage and approval, and on July 1, 2026, for all other purposes.

• **Mandate for Local Governments:** By July 1, 2026, counties with a population $\geq 100,000$ (e.g., Clark, Washoe) and cities with a population $\geq 60,000$ (e.g., Las Vegas, Henderson, North Las Vegas, Reno, and Sparks) must adopt ordinances authorizing the development & use of ADUs on residential property.

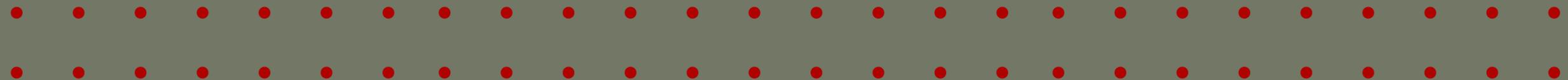
- **Automatic Authorization:** If a locality fails to adopt such an ordinance by the deadline, ADUs will be automatically allowed without restrictions on any residentially zoned parcel.
- **Ordinance Restrictions:** Ordinances cannot:
 - Ban separate kitchens in ADUs.
 - Require more than one extra parking spot. **Provided that the existing parking for the primary residence and street parking satisfy the anticipated parking needs. **
 - Impose stricter setbacks than for the primary home.
 - Demand unnecessary public street improvements/repairs.
 - Prohibit rental of ADUs (except short-term/transient rentals).
- **Safety Codes:** ADUs must comply with residential building/housing/health and safety codes but are exempt from commercial standards like fire sprinklers.





Changes to HOAs

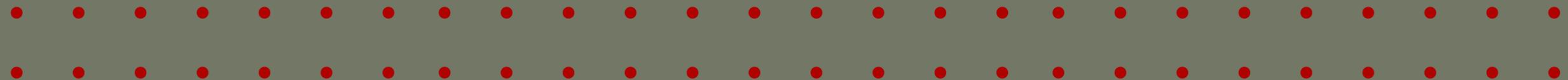
- Amendments to Declarations: Associations may reasonably restrict leasing to meet lender/insurer standards. NRS 116.2117(9).
- Resale Disclosures: Sellers must now provide proof of required insurance policies, per NRS 116.3113 in resale packages. NRS 116.4109(1)(g).
- Fine Increases: Raises maximum administrative fines that can be issued by the Commission from \$1,000 to not more than \$5,000 per violation.





Examples:

- A homeowner in Las Vegas wants to build a detached house [ADU] in their backyard as a rental unit. Under AB396:
 - The city must allow the construction and use of an ADU with a separate kitchen and without requiring excessive parking or reasonable setbacks.
 - If Las Vegas doesn't pass an ordinance by July 1, 2026, the ADUs will be automatically authorized on any residential parcel without restrictions.





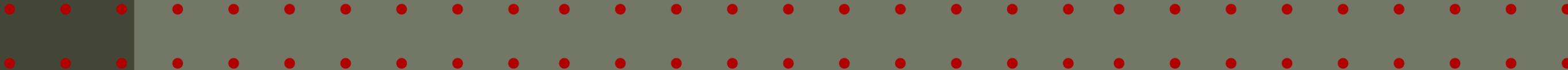
Overview of SB 201

SB201 amends NRS 116 and 118A to protect the rights of tenants and homeowners in common-interest communities to display religious or cultural items on their property. It prohibits landlords, lessor unit owners, and homeowners' associations (HOAs) from banning these displays, unless the rules reasonably restrict the placement and manner of the display.

Effective July 1st, 2025.

- By October 1, 2025, any unit owner or landlord who rents or leases a unit must review and update their policies to comply with this act.
- Any rental agreement in effect on July 1, 2025, must be reviewed for compliance. On or before the date for renewal of such a rental agreement, the unit's owner or landlord shall remove any provision of the agreement that is void and unenforceable pursuant to subsection 1.
- Any conflicting rules or policies become automatically void and unenforceable. NRS 116.1206(1) any provision contrary shall be deemed to conform with this act.

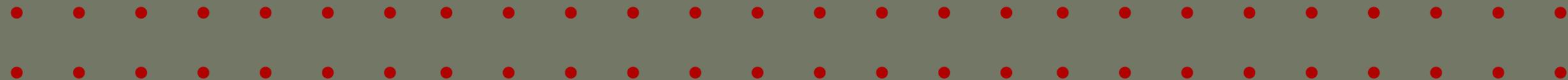
- Right to Display:
 - Tenants and unit occupants may display religious or cultural items on their doors, doorframes, or within spaces they exclusively occupy.
- Landlords, unit owners, and HOAs cannot prohibit such displays in rental agreements or governing documents, except as to:
 - Size & Content Limits:
 - Displays are restricted if they:
 - Exceed 36 by 12 square inches or the size of the door.
 - Threaten health/safety/welfare.
 - Obstruct doors.
 - Violate any laws.
 - Promotes discrimination or includes obscene/illegal content.





Examples:

- Under SB201, an individual cannot be forced to remove the mezuzah (or another religious item) if:
- It is within the 36x12 inch size limit.
- It does not violate any laws, pose safety risks, or obstruct the door.
- Even if the lease says otherwise that provision becomes void and unenforceable. The landlord is also required to update the lease terms upon renewal to comply with the law.
 - In any action commenced to enforce the provisions of this section, the prevailing party is entitled to recover reasonable attorney's fees and costs. This could implicate a discrimination complaint with the Nevada Equal Rights Commission or the U.S. Department of Housing and Urban Development (HUD).





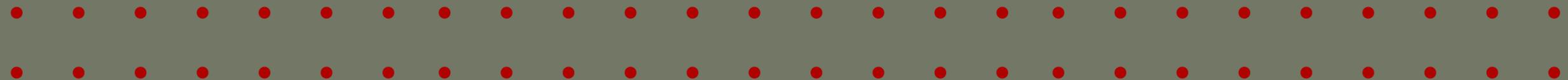
Overview of SB 440

Senate Bill 440 (SB440) amends NRS 116, NRS 598, and NRS 704, and aims to enhance consumer protection and streamline processes surrounding the installation and use of distributed generation systems—particularly residential solar energy systems in Nevada. The bill introduces new rules governing unit-owners’ associations, solar installation companies, and utilities.

Effective date:

- Sections 1- 30 becomes effective on June 5, 2025, and October 1, 2025, for all other purposes.

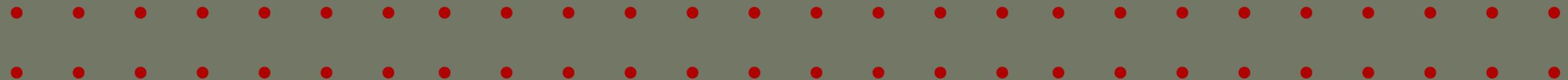
- Distributed Generation Systems in Common-Interest Communities:
 - A homeowner in a unit-owners’ association (HOA) must seek approval to install a solar (distributed generation) system.
 - If the HOA has adopted solar-related rules, it must respond within 35 days, otherwise the request is deemed approved.
 - If no specific solar rules exist, the HOA must approve the request within 15 days and cannot impose installation conditions.
 - Associations may adopt rules regarding aesthetics and safety, so long as the costs of compliance do not increase installation costs by more than 3%.





Examples:

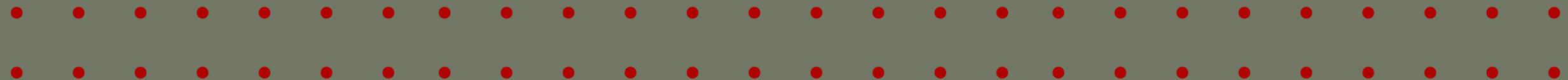
- Requesting Installation:
 - An individual submits a formal request to her HOA to install a solar (distributed generation) system.
 - The HOA has architectural guidelines but has not adopted solar-specific rules under Section 13.7 of SB440.
- Outcome:
 - Under SB440, because the HOA has not adopted solar rules, they must approve this individual's request within 15 days and cannot impose extra conditions. This person's request is automatically approved if they do not respond within the time limit.





Resources for Consumers on Solar Companies:

1. The Public Utilities Commission of Nevada's (PUCN) Consumer Complaint Resolution Division (Division) receives and investigates complaints made against solar installation companies: https://puc.nv.gov/FAQ/Solar_Complaints/
2. Nevada State Contractors Board: <https://www.nvcontractorsboard.com/investigations/licensed-contractor-complaints/>
3. Nevada Attorney General' Bureau of Consumer Protection:
https://ag.nv.gov/About/Consumer_Protection/Bureau_of_Consumer_Protection/
4. Nevada Consumer Affairs: https://consumeraffairs.nv.gov/About/File_a_complaint/





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