

ASSEMBLY BILL NO. 335—ASSEMBLYMEN JAUREGUI; AND HAFEN

MARCH 18, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to real property. (BDR 10-287)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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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 real property; revising provisions relating to the fees that a unit-owners’ association for a common-interest community may charge for certain services; revising provisions relating to the resale of a unit in a common-interest community or condominium hotel; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes a unit-owners’ association for a common-interest
2 community to charge certain fees for performing certain services. (NRS 116.3102)
3 **Section 1** of this bill authorizes an association to impose a fee for opening or
4 closing any file for each unit.

5 Existing law requires a unit’s owner in a common-interest community or
6 condominium hotel to furnish to a prospective buyer a resale package containing
7 certain information. (NRS 116.4109, 116B.760) **Sections 3 and 5** of this bill: (1)
8 specify that certain periods for taking certain actions relating to the resale package
9 must be measured in either calendar days or business days; and (2) provide that the
10 resale package remains effective for 90 calendar days. **Section 3** also requires an
11 association for a common-interest community to provide a copy of a statement of
12 demand to an interested party not later than 10 calendar days after receipt of a
13 written request to do so. **Section 3.5** of this bill: (1) establishes a maximum fee that
14 an association for a common-interest community may charge for furnishing a
15 certificate for inclusion in the resale package; (2) eliminates the authority to charge
16 a fee for providing certain documents in electronic format; and (3) increases the
17 amount an association for a common-interest community may charge for furnishing
18 a statement of demand.

19 **Sections 2 and 6** of this bill make conforming changes.



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

1 **Section 1.** NRS 116.3102 is hereby amended to read as
2 follows:

3 116.3102 1. Except as otherwise provided in this chapter, and
4 subject to the provisions of the declaration, the association:

5 (a) Shall adopt and, except as otherwise provided in the bylaws,
6 may amend bylaws and may adopt and amend rules and regulations.

7 (b) Shall adopt and may amend budgets in accordance with the
8 requirements set forth in NRS 116.31151, may collect assessments
9 for common expenses from the units' owners and may invest funds
10 of the association in accordance with the requirements set forth in
11 NRS 116.311395.

12 (c) May hire and discharge managing agents and other
13 employees, agents and independent contractors.

14 (d) May institute, defend or intervene in litigation or in
15 arbitration, mediation or administrative proceedings in its own name
16 on behalf of itself or two or more units' owners on matters affecting
17 the common-interest community. The association may not institute,
18 defend or intervene in litigation or in arbitration, mediation or
19 administrative proceedings in its own name on behalf of itself or
20 units' owners with respect to an action for a constructional defect
21 pursuant to NRS 40.600 to 40.695, inclusive, unless the action
22 pertains exclusively to common elements.

23 (e) May make contracts and incur liabilities. Any contract
24 between the association and a private entity for the furnishing of
25 goods or services must not include a provision granting the private
26 entity the right of first refusal with respect to extension or renewal
27 of the contract.

28 (f) May regulate the use, maintenance, repair, replacement and
29 modification of common elements.

30 (g) May cause additional improvements to be made as a part of
31 the common elements.

32 (h) May acquire, hold, encumber and convey in its own name
33 any right, title or interest to real estate or personal property, but:

34 (1) Common elements in a condominium or planned
35 community may be conveyed or subjected to a security interest only
36 pursuant to NRS 116.3112; and

37 (2) Part of a cooperative may be conveyed, or all or part of a
38 cooperative may be subjected to a security interest, only pursuant to
39 NRS 116.3112.

40 (i) May grant easements, leases, licenses and concessions
41 through or over the common elements.



1 (j) May impose and receive any payments, fees or charges for
2 the use, rental or operation of the common elements, other than
3 limited common elements described in subsections 2 and 4 of
4 NRS 116.2102, and for services provided to the units' owners,
5 including, without limitation, any services provided pursuant to
6 NRS 116.310312.

7 (k) May impose charges for late payment of assessments
8 pursuant to NRS 116.3115.

9 (l) May impose construction penalties when authorized pursuant
10 to NRS 116.310305.

11 (m) May impose reasonable fines for violations of the governing
12 documents of the association only if the association complies with
13 the requirements set forth in NRS 116.31031.

14 (n) May impose reasonable charges for the preparation and
15 recordation of any amendments to the declaration or any statements
16 of unpaid assessments, and impose reasonable fees, not to exceed
17 the amounts authorized by NRS 116.4109, for preparing and
18 furnishing the documents and certificate required by that section.

19 (o) *May impose a reasonable fee for opening or closing any*
20 *file for each unit. Such a fee:*

21 *(1) Must be based on the actual cost the association incurs*
22 *to open or close any file.*

23 *(2) Must not exceed \$350.*

24 *(3) Must not be charged to both the seller and the*
25 *purchaser of a unit.*

26 *(4) Except as otherwise provided in this subparagraph and*
27 *subject to the limitation set forth in subparagraph (2), may*
28 *increase, on an annual basis, by a percentage equal to the*
29 *percentage of increase in the Consumer Price Index (All Items)*
30 *published by the United States Department of Labor for the*
31 *preceding calendar year. The fee must not increase by more than 3*
32 *percent each year.*

33 (p) May provide for the indemnification of its officers and
34 executive board and maintain directors and officers liability
35 insurance.

36 ~~(q)~~ (q) May assign its right to future income, including the
37 right to receive assessments for common expenses, but only to the
38 extent the declaration expressly provides.

39 ~~(r)~~ (r) May exercise any other powers conferred by the
40 declaration or bylaws.

41 ~~(s)~~ (s) May exercise all other powers that may be exercised in
42 this State by legal entities of the same type as the association.

43 ~~(t)~~ (t) May direct the removal of vehicles improperly parked
44 on property owned or leased by the association, as authorized
45 pursuant to NRS 487.038, or improperly parked on any road, street,



1 alley or other thoroughfare within the common-interest community
2 in violation of the governing documents. In addition to complying
3 with the requirements of NRS 487.038 and any requirements in the
4 governing documents, if a vehicle is improperly parked as described
5 in this paragraph, the association must post written notice in a
6 conspicuous place on the vehicle or provide oral or written notice to
7 the owner or operator of the vehicle at least 48 hours before the
8 association may direct the removal of the vehicle, unless the vehicle:

9 (1) Is blocking a fire hydrant, fire lane or parking space
10 designated for the handicapped; or

11 (2) Poses an imminent threat of causing a substantial adverse
12 effect on the health, safety or welfare of the units' owners or
13 residents of the common-interest community.

14 ~~(u)~~ (u) May exercise any other powers necessary and proper for
15 the governance and operation of the association.

16 2. The declaration may not limit the power of the association to
17 deal with the declarant if the limit is more restrictive than the limit
18 imposed on the power of the association to deal with other persons.

19 3. The executive board may determine whether to take
20 enforcement action by exercising the association's power to impose
21 sanctions or commence an action for a violation of the declaration,
22 bylaws or rules, including whether to compromise any claim for
23 unpaid assessments or other claim made by or against it. The
24 executive board does not have a duty to take enforcement action if it
25 determines that, under the facts and circumstances presented:

26 (a) The association's legal position does not justify taking any or
27 further enforcement action;

28 (b) The covenant, restriction or rule being enforced is, or is
29 likely to be construed as, inconsistent with current law;

30 (c) Although a violation may exist or may have occurred, it is
31 not so material as to be objectionable to a reasonable person or to
32 justify expending the association's resources; or

33 (d) It is not in the association's best interests to pursue an
34 enforcement action.

35 4. The executive board's decision under subsection 3 not to
36 pursue enforcement under one set of circumstances does not prevent
37 the executive board from taking enforcement action under another
38 set of circumstances, but the executive board may not be arbitrary or
39 capricious in taking enforcement action.

40 5. Notwithstanding any provision of this chapter or the
41 governing documents to the contrary, an association may not impose
42 any assessment pursuant to this chapter or the governing documents
43 on the owner of any property in the common-interest community
44 that is exempt from taxation pursuant to NRS 361.125. For the
45 purposes of this subsection, "assessment" does not include any



1 charge for any utility services, including, without limitation,
2 telecommunications, broadband communications, cable television,
3 electricity, natural gas, sewer services, garbage collection, water or
4 for any other service which is delivered to and used or consumed
5 directly by the property in the common-interest community that is
6 exempt from taxation pursuant to NRS 361.125.

7 **Sec. 2.** NRS 116.3116 is hereby amended to read as follows:

8 116.3116 1. The association has a lien on a unit for any
9 construction penalty that is imposed against the unit's owner
10 pursuant to NRS 116.310305, any assessment levied against that
11 unit or any fines imposed against the unit's owner from the time the
12 construction penalty, assessment or fine becomes due. Unless the
13 declaration otherwise provides, any penalties, fees, charges, late
14 charges, fines and interest charged pursuant to paragraphs (j) to
15 ~~(n)~~ (o), inclusive, of subsection 1 of NRS 116.3102 and any costs
16 of collecting a past due obligation charged pursuant to NRS
17 116.310313 are enforceable as assessments under this section. If an
18 assessment is payable in installments, the full amount of the
19 assessment is a lien from the time the first installment thereof
20 becomes due.

21 2. A lien under this section is prior to all other liens and
22 encumbrances on a unit except:

23 (a) Liens and encumbrances recorded before the recordation of
24 the declaration and, in a cooperative, liens and encumbrances which
25 the association creates, assumes or takes subject to;

26 (b) A first security interest on the unit recorded before the date
27 on which the assessment sought to be enforced became delinquent
28 or, in a cooperative, the first security interest encumbering only the
29 unit's owner's interest and perfected before the date on which the
30 assessment sought to be enforced became delinquent, except that a
31 lien under this section is prior to a security interest described in this
32 paragraph to the extent set forth in subsection 3;

33 (c) Liens for real estate taxes and other governmental
34 assessments or charges against the unit or cooperative; and

35 (d) Liens for any fee or charge levied pursuant to subsection 1 of
36 NRS 444.520.

37 3. A lien under this section is prior to all security interests
38 described in paragraph (b) of subsection 2 to the extent of:

39 (a) Any charges incurred by the association on a unit pursuant to
40 NRS 116.310312;

41 (b) The unpaid amount of assessments, not to exceed an amount
42 equal to assessments for common expenses based on the periodic
43 budget adopted by the association pursuant to NRS 116.3115 which
44 would have become due in the absence of acceleration during the 9
45 months immediately preceding the date on which the notice of



1 default and election to sell is recorded pursuant to paragraph (b) of
2 subsection 1 of NRS 116.31162; and

3 (c) The costs incurred by the association to enforce the lien in an
4 amount not to exceed the amounts set forth in subsection 5,

5 ↪ unless federal regulations adopted by the Federal Home Loan
6 Mortgage Corporation or the Federal National Mortgage
7 Association require a shorter period of priority for the lien. If federal
8 regulations adopted by the Federal Home Loan Mortgage
9 Corporation or the Federal National Mortgage Association require a
10 shorter period of priority for the lien, the period during which the
11 lien is prior to all security interests described in paragraph (b) of
12 subsection 2 must be determined in accordance with those federal
13 regulations, except that notwithstanding the provisions of the federal
14 regulations, the period of priority for the lien must not be less than
15 the 6 months immediately preceding the recording of a notice of
16 default and election to sell pursuant to paragraph (b) of subsection 1
17 of NRS 116.31162 or the institution of a judicial action to enforce
18 the lien.

19 4. This section does not affect the priority of mechanics' or
20 materialmen's liens, or the priority of liens for other assessments
21 made by the association.

22 5. The amount of the costs of enforcing the association's lien
23 that are prior to the security interest described in paragraph (b) of
24 subsection 2 must not exceed the actual costs incurred by the
25 association, must not include more than one trustee's sale guaranty
26 and must not exceed:

- 27 (a) For a demand or intent to lien letter, \$150.
- 28 (b) For a notice of delinquent assessment, \$325.
- 29 (c) For an intent to record a notice of default letter, \$90.
- 30 (d) For a notice of default, \$400.
- 31 (e) For a trustee's sale guaranty, \$400.

32 ↪ No costs of enforcing the association's lien, other than the costs
33 described in this subsection, and no amount of attorney's fees may
34 be included in the amount of the association's lien that is prior to the
35 security interest described in paragraph (b) of subsection 2.

36 6. Notwithstanding any other provision of law, an association,
37 or member of the executive board, officer, employee or unit's owner
38 of the association, acting under the authority of this chapter or the
39 governing documents of the association, or the community manager
40 of the association, or any employee, agent or affiliate of the
41 community manager, while engaged in the management of the
42 common-interest community governed by the association, is not
43 required to be licensed as a collection agency pursuant to chapter
44 649 of NRS or hire or contract with a collection agency licensed
45 pursuant to chapter 649 of NRS to collect amounts due to the



1 association in accordance with subsection 1 before the recording of
2 a notice of default and election to sell pursuant to paragraph (b) of
3 subsection 1 of NRS 116.31162.

4 7. The holder of the security interest described in paragraph (b)
5 of subsection 2 or the holder's authorized agent may establish an
6 escrow account, loan trust account or other impound account for
7 advance contributions for the payment of assessments for common
8 expenses based on the periodic budget adopted by the association
9 pursuant to NRS 116.3115 if the unit's owner and the holder of that
10 security interest consent to the establishment of such an account. If
11 such an account is established, payments from the account for
12 assessments for common expenses must be made in accordance with
13 the same due dates as apply to payments of such assessments by a
14 unit's owner.

15 8. Unless the declaration otherwise provides, if two or more
16 associations have liens for assessments created at any time on the
17 same property, those liens have equal priority.

18 9. Recording of the declaration constitutes record notice and
19 perfection of the lien. No further recordation of any claim of lien for
20 assessment under this section is required.

21 10. A lien for unpaid assessments is extinguished unless a
22 notice of default and election to sell is recorded as required by
23 paragraph (b) of subsection 1 of NRS 116.31162, or judicial
24 proceedings to enforce the lien are instituted, within 3 years after the
25 full amount of the assessments becomes due.

26 11. This section does not prohibit actions to recover sums for
27 which subsection 1 creates a lien or prohibit an association from
28 taking a deed in lieu of foreclosure.

29 12. A judgment or decree in any action brought under this
30 section must include costs and reasonable attorney's fees for the
31 prevailing party.

32 13. The association, upon written request, shall furnish to a
33 unit's owner a statement setting forth the amount of unpaid
34 assessments against the unit. If the interest of the unit's owner is real
35 estate or if a lien for the unpaid assessments may be foreclosed
36 under NRS 116.31162 to 116.31168, inclusive, the statement must
37 be in recordable form. The statement must be furnished within 10
38 business days after receipt of the request and is binding on the
39 association, the executive board and every unit's owner.

40 14. In a cooperative, upon nonpayment of an assessment on a
41 unit, the unit's owner may be evicted in the same manner as
42 provided by law in the case of an unlawful holdover by a
43 commercial tenant, and:



1 (a) In a cooperative where the owner's interest in a unit is real
2 estate under NRS 116.1105, the association's lien may be foreclosed
3 under NRS 116.31162 to 116.31168, inclusive.

4 (b) In a cooperative where the owner's interest in a unit is
5 personal property under NRS 116.1105, the association's lien:

6 (1) May be foreclosed as a security interest under NRS
7 104.9101 to 104.9709, inclusive; or

8 (2) If the declaration so provides, may be foreclosed under
9 NRS 116.31162 to 116.31168, inclusive.

10 15. In an action by an association to collect assessments or to
11 foreclose a lien created under this section, the court may appoint a
12 receiver to collect all rents or other income from the unit alleged to
13 be due and owing to a unit's owner before commencement or during
14 pendency of the action. The receivership is governed by chapter 32
15 of NRS. The court may order the receiver to pay any sums held by
16 the receiver to the association during pendency of the action to the
17 extent of the association's common expense assessments based on a
18 periodic budget adopted by the association pursuant to
19 NRS 116.3115.

20 16. Notwithstanding any other provision of law, any payment
21 of an amount due to an association in accordance with subsection 1
22 by the holder of any lien or encumbrance on a unit that is
23 subordinate to the association's lien under this section becomes a
24 debt due from the unit's owner to the holder of the lien or
25 encumbrance.

26 **Sec. 3.** NRS 116.4109 is hereby amended to read as follows:

27 116.4109 1. Except in the case of a sale in which delivery of
28 a public offering statement is required, or unless exempt under
29 subsection 2 of NRS 116.4101, a unit's owner or his or her
30 authorized agent shall, at the expense of the unit's owner, furnish to
31 a purchaser a resale package containing all of the following:

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

35 (b) A statement from the association setting forth the amount of
36 the monthly assessment for common expenses and any unpaid
37 obligation of any kind, including, without limitation, management
38 fees, transfer fees, fines, penalties, interest, collection costs,
39 foreclosure fees and attorney's fees currently due from the selling
40 unit's owner.

41 (c) A copy of the current operating budget of the association and
42 current year-to-date financial statement for the association, which
43 must include a summary of the reserves of the association required
44 by NRS 116.31152 and which must include, without limitation, a



1 summary of the information described in paragraphs (a) to (e),
2 inclusive, of subsection 3 of NRS 116.31152.

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

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

9 (f) In addition to any other document, a statement describing all
10 current and expected fees or charges for each unit, including,
11 without limitation, association fees, fines, assessments, late charges
12 or penalties, interest rates on delinquent assessments, additional
13 costs for collecting past due fines and charges for opening or closing
14 any file for each unit.

15 2. The purchaser may, by written notice, cancel the contract of
16 purchase until midnight of the fifth calendar day following the date
17 of receipt of the resale package described in subsection 1, and the
18 contract for purchase must contain a provision to that effect. If
19 the purchaser elects to cancel a contract pursuant to this subsection,
20 the purchaser must hand deliver the notice of cancellation to the
21 unit's owner or his or her authorized agent, mail the notice of
22 cancellation by prepaid United States mail to the unit's owner or his
23 or her authorized agent or deliver the notice of cancellation by
24 electronic transmission to the unit's owner or his or her authorized
25 agent. Cancellation is without penalty, and all payments made by
26 the purchaser before cancellation must be refunded promptly. If the
27 purchaser has accepted a conveyance of the unit, the purchaser is
28 not entitled to:

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

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

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

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

40 (b) A certificate containing the information necessary to enable
41 the unit's owner to comply with paragraphs (b), (d), (e) and (f) of
42 subsection 1.

43 4. If the association furnishes the documents and certificate
44 pursuant to subsection 3:



1 (a) The unit's owner or his or her authorized agent shall include
2 the documents and certificate in the resale package provided to the
3 purchaser, and neither the unit's owner nor his or her authorized
4 agent is liable to the purchaser for any erroneous information
5 provided by the association and included in the documents and
6 certificate.

7 (b) The association may charge the unit's owner a reasonable
8 fee to cover the cost of preparing the certificate furnished pursuant
9 to subsection 3. Such a fee must be based on the actual cost the
10 association incurs to fulfill the requirements of this section in
11 preparing the certificate. The Commission shall adopt regulations
12 establishing the maximum amount of the fee that an association may
13 charge for preparing the certificate.

14 (c) The other documents furnished pursuant to subsection 3
15 must be provided in electronic format to the unit's owner. The
16 association may charge the unit's owner a fee, not to exceed \$20, to
17 provide such documents in electronic format. If the association is
18 unable to provide such documents in electronic format, the
19 association may charge the unit's owner a reasonable fee, not to
20 exceed 25 cents per page for the first 10 pages, and 10 cents per
21 page thereafter, to cover the cost of copying.

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

26 5. Neither a purchaser nor the purchaser's interest in a unit is
27 liable for any unpaid assessment or fee greater than the amount set
28 forth in the documents and certificate prepared by the association. If
29 the association fails to furnish the documents and certificate within
30 the 10 *calendar* days allowed by this section, the purchaser is not
31 liable for the delinquent assessment. *A resale package provided to a
32 unit's owner or his or her authorized agent pursuant to this
33 section remains effective for 90 calendar days.*

34 6. Upon the request of a unit's owner or his or her authorized
35 agent, or upon the request of a purchaser to whom the unit's owner
36 has provided a resale package pursuant to this section or his or her
37 authorized agent, the association shall make the entire study of the
38 reserves of the association which is required by NRS 116.31152
39 reasonably available for the unit's owner, purchaser or authorized
40 agent to inspect, examine, photocopy and audit. The study must be
41 made available at the business office of the association or some
42 other suitable location within the county where the common-interest
43 community is situated or, if it is situated in more than one county,
44 within one of those counties.



1 7. A unit's owner, the authorized agent of the unit's owner or
2 the holder of a security interest on the unit may request a statement
3 of demand from the association. Not later than 10 *calendar* days
4 after receipt of a written request from the unit's owner, the
5 authorized agent of the unit's owner or the holder of a security
6 interest on the unit for a statement of demand, the association shall
7 furnish a statement of demand to the person who requested the
8 statement **and provide a copy of the statement to any other**
9 **interested party.** The association may charge a fee of not more than
10 \$150 to prepare and furnish a statement of demand pursuant to this
11 subsection and an additional fee of not more than \$100 to furnish a
12 statement of demand within 3 *business* days after receipt of a
13 written request for a statement of demand. The statement of
14 demand:

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

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

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

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

39 **Sec. 3.5.** NRS 116.4109 is hereby amended to read as follows:

40 116.4109 1. Except in the case of a sale in which delivery of
41 a public offering statement is required, or unless exempt under
42 subsection 2 of NRS 116.4101, a unit's owner or his or her
43 authorized agent shall, at the expense of the unit's owner, furnish to
44 a purchaser a resale package containing all of the following:



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

4 (b) A statement from the association setting forth the amount of
5 the monthly assessment for common expenses and any unpaid
6 obligation of any kind, including, without limitation, management
7 fees, transfer fees, fines, penalties, interest, collection costs,
8 foreclosure fees and attorney's fees currently due from the selling
9 unit's owner.

10 (c) A copy of the current operating budget of the association and
11 current year-to-date financial statement for the association, which
12 must include a summary of the reserves of the association required
13 by NRS 116.31152 and which must include, without limitation, a
14 summary of the information described in paragraphs (a) to (e),
15 inclusive, of subsection 3 of NRS 116.31152.

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

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

22 (f) In addition to any other document, a statement describing all
23 current and expected fees or charges for each unit, including,
24 without limitation, association fees, fines, assessments, late charges
25 or penalties, interest rates on delinquent assessments, additional
26 costs for collecting past due fines and charges for opening or closing
27 any file for each unit.

28 2. The purchaser may, by written notice, cancel the contract of
29 purchase until midnight of the fifth calendar day following the date
30 of receipt of the resale package described in subsection 1, and the
31 contract for purchase must contain a provision to that effect. If
32 the purchaser elects to cancel a contract pursuant to this subsection,
33 the purchaser must hand deliver the notice of cancellation to the
34 unit's owner or his or her authorized agent, mail the notice of
35 cancellation by prepaid United States mail to the unit's owner or his
36 or her authorized agent or deliver the notice of cancellation by
37 electronic transmission to the unit's owner or his or her authorized
38 agent. Cancellation is without penalty, and all payments made by
39 the purchaser before cancellation must be refunded promptly. If the
40 purchaser has accepted a conveyance of the unit, the purchaser is
41 not entitled to:

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

43 (b) Damages, rescission or other relief based solely on the
44 ground that the unit's owner or his or her authorized agent failed to



1 furnish the resale package, or any portion thereof, as required by this
2 section.

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

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

9 (b) A certificate containing the information necessary to enable
10 the unit's owner to comply with paragraphs (b), (d), (e) and (f) of
11 subsection 1.

12 4. If the association furnishes the documents and certificate
13 pursuant to subsection 3:

14 (a) The unit's owner or his or her authorized agent shall include
15 the documents and certificate in the resale package provided to the
16 purchaser, and neither the unit's owner nor his or her authorized
17 agent is liable to the purchaser for any erroneous information
18 provided by the association and included in the documents and
19 certificate.

20 (b) The association may charge the unit's owner a reasonable
21 fee to cover the cost of preparing the certificate furnished pursuant
22 to subsection 3. Such a fee must be based on the actual cost the
23 association incurs to fulfill the requirements of this section in
24 preparing the certificate. The Commission shall adopt regulations
25 establishing the maximum amount of the fee that an association may
26 charge for preparing the certificate ~~+~~, *which must not exceed*
27 *\$185, except that if a unit's owner or an authorized agent thereof*
28 *requests that the certificate be furnished sooner than 3 business*
29 *days after the date of the request, the association may charge a fee*
30 *of up to the maximum amount established by the Commission to*
31 *expedite the preparation of the certificate. The amount of the fee*
32 *may increase, on an annual basis, by a percentage equal to the*
33 *percentage of increase in the Consumer Price Index (All Items)*
34 *published by the United States Department of Labor for the*
35 *preceding calendar year, but must not increase by more than 3*
36 *percent each year.*

37 (c) The other documents furnished pursuant to subsection 3
38 must be provided in electronic format to the unit's owner. ~~[The~~
39 ~~association may charge the unit's owner a fee, not to exceed \$20, to~~
40 ~~provide such documents in electronic format.]~~ If the association is
41 unable to provide such documents in electronic format, the
42 association may charge the unit's owner a reasonable fee, not to
43 exceed 25 cents per page for the first 10 pages, and 10 cents per
44 page thereafter, to cover the cost of copying.



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

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

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

24 7. A unit's owner, the authorized agent of the unit's owner or
25 the holder of a security interest on the unit may request a statement
26 of demand from the association. Not later than 10 calendar days
27 after receipt of a written request from the unit's owner, the
28 authorized agent of the unit's owner or the holder of a security
29 interest on the unit for a statement of demand, the association shall
30 furnish a statement of demand to the person who requested the
31 statement and provide a copy of the statement to any other interested
32 party. The association may charge a fee of not more than ~~[\$150]~~
33 **\$165** to prepare and furnish a statement of demand pursuant to this
34 subsection and an additional fee of not more than \$100 to furnish a
35 statement of demand within 3 business days after receipt of a written
36 request for a statement of demand. *The amount of the fees for
37 preparing and furnishing a statement of demand and the
38 additional fee for furnishing a statement of demand within 3
39 business days may increase, on an annual basis, by a percentage
40 equal to the percentage of increase in the Consumer Price Index
41 (All Items) published by the United States Department of Labor
42 for the preceding calendar year, but must not increase by more
43 than 3 percent each year.* The statement of demand:

44 (a) Must set forth the amount of the monthly assessment for
45 common expenses and any unpaid obligation of any kind, including,



1 without limitation, management fees, transfer fees, fines, penalties,
2 interest, collection costs, foreclosure fees and attorney's fees
3 currently due from the selling unit's owner; and

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

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

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

23 **Sec. 4.** (Deleted by amendment.)

24 **Sec. 5.** NRS 116B.760 is hereby amended to read as follows:

25 116B.760 1. Except in the case of a sale in which delivery of
26 a public offering statement is required, a unit's owner or his or her
27 authorized agent shall furnish to a purchaser a resale package
28 containing all of the following:

29 (a) A copy of this chapter, the declaration, other than any plats,
30 the bylaws, the rules or regulations of the association and the hotel
31 unit owner and the information statement required by
32 NRS 116B.765;

33 (b) A statement setting forth the amount of the monthly
34 assessment for common expenses and any unpaid assessment of any
35 kind currently due from the selling unit's owner;

36 (c) A copy of the current operating budget of the association and
37 current year-to-date financial statement for the association, which
38 must include a summary of the reserves of the association required
39 by this chapter;

40 (d) A current year-to-date statement of the shared expenses
41 charged to the units and the projected budget for the shared
42 expenses, either within or as an exhibit to the public offering
43 statement. The budget must include, without limitation:



1 (1) A statement of the amount included in the budget as
2 reserves for repairs, replacement and restoration pursuant to this
3 chapter; and

4 (2) The projected monthly shared expenses for each type of
5 unit, including the amount established as reserves pursuant to this
6 chapter;

7 (e) A description of any other payments, fees and charges that
8 may be charged by the hotel unit owner, including those that may be
9 charged in order to offset the increased burden placed on the shared
10 components as a result of use of residential units as transient rentals;
11 and

12 (f) A statement of any unsatisfied judgments or pending legal
13 actions against the association or the hotel unit owner which affect
14 the shared components and the status of any pending legal actions
15 relating to the condominium hotel of which the unit's owner has
16 actual knowledge.

17 2. The purchaser may, by written notice, cancel the contract of
18 purchase until midnight of the fifth calendar day following the date
19 of receipt of the resale package described in subsection 1, and the
20 contract for purchase must contain a provision to that effect. If the
21 purchaser elects to cancel a contract pursuant to this subsection,
22 the purchaser must hand deliver the notice of cancellation to the
23 residential unit owner or his or her authorized agent or mail
24 the notice of cancellation by prepaid United States mail to the
25 residential unit owner or his or her authorized agent. Cancellation is
26 without penalty, and all payments made by the purchaser before
27 cancellation must be refunded promptly. If the purchaser has
28 accepted a conveyance of the residential unit, the purchaser is not
29 entitled to:

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

31 (b) Damages, rescission or other relief based solely on the
32 ground that the residential unit owner or his or her authorized agent
33 failed to furnish the resale package, or any portion thereof, as
34 required by this section.

35 3. Within 10 *calendar* days after receipt of a written request by
36 a residential unit owner or his or her authorized agent, the hotel unit
37 owner shall furnish all of the following to the residential unit owner
38 or his or her authorized agent for inclusion in the resale package:

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

41 (b) A certificate containing the information necessary to enable
42 the residential unit owner to comply with paragraphs (b), (d), (e) and
43 (f) of subsection 1.

44 4. If the hotel unit owner furnishes the documents and
45 certificate pursuant to subsection 3:



1 (a) The residential unit owner or his or her authorized agent
2 shall include the documents and certificate in the resale package
3 provided to the purchaser, and neither the residential unit owner nor
4 his or her authorized agent is liable to the purchaser for any
5 erroneous information provided by the hotel unit owner and
6 included in the documents and certificate.

7 (b) The hotel unit owner may charge the residential unit owner a
8 reasonable fee to cover the cost of preparing the certificate furnished
9 pursuant to subsection 3. Such a fee must be based on the actual cost
10 the association incurs to fulfill the requirements of this section in
11 preparing the certificate. The Commission shall adopt regulations
12 establishing the maximum amount of the fee that the hotel unit
13 owner may charge for preparing the certificate.

14 (c) The other documents furnished pursuant to subsection 3
15 must be provided in electronic format at no charge to the unit's
16 owner or, if the hotel unit owner is unable to provide such
17 documents in electronic format, the hotel unit owner may charge the
18 residential unit owner a reasonable fee, not to exceed 25 cents per
19 page for the first 10 pages, and 10 cents per page thereafter, to cover
20 the cost of copying.

21 (d) Except for the fees allowed pursuant to paragraphs (b) and
22 (c), the hotel unit owner may not charge the residential unit owner
23 any other fees for preparing or furnishing the documents and
24 certificate pursuant to subsection 3.

25 5. Neither a purchaser nor the purchaser's interest in a
26 residential unit is liable for any unpaid assessment or fee greater
27 than the amount set forth in the documents and certificate prepared
28 by the hotel unit owner. If the hotel unit owner fails to furnish the
29 documents and certificate within the 10 *calendar* days allowed by
30 this section, the purchaser is not liable for the delinquent
31 assessment. *A resale package provided to a unit's owner or his or*
32 *her authorized agent pursuant to this section remains effective for*
33 *90 calendar days.*

34 6. Upon the request of a residential unit owner or his or her
35 authorized agent, or upon the request of a purchaser to whom the
36 hotel unit owner has provided a resale package pursuant to this
37 section or his or her authorized agent, the hotel unit owner shall
38 make the entire study of the reserves of the association or the shared
39 components reasonably available for the residential unit owner,
40 purchaser or authorized agent to inspect, examine, photocopy and
41 audit. The study must be made available at the business office of the
42 association or the hotel unit owner or some other suitable location
43 within the county where the condominium hotel is situated or, if it is
44 situated in more than one county, within one of those counties.



1 **Sec. 6.** NRS 38.300 is hereby amended to read as follows:
2 38.300 As used in NRS 38.300 to 38.360, inclusive, unless the
3 context otherwise requires:

4 1. "Assessments" means:

5 (a) Any charge which an association may impose against an
6 owner of residential property pursuant to a declaration of covenants,
7 conditions and restrictions, including any late charges, interest and
8 costs of collecting the charges; and

9 (b) Any penalties, fines, fees and other charges which may be
10 imposed by an association pursuant to paragraphs (j) to ~~(n)~~ (o),
11 inclusive, of subsection 1 of NRS 116.3102 or subsections 10, 11
12 and 12 of NRS 116B.420.

13 2. "Association" has the meaning ascribed to it in NRS
14 116.011 or 116B.030.

15 3. "Civil action" includes an action for money damages or
16 equitable relief. The term does not include an action in equity for
17 injunctive relief in which there is an immediate threat of irreparable
18 harm, or an action relating to the title to residential property.

19 4. "Division" means the Real Estate Division of the
20 Department of Business and Industry.

21 5. "Program" means a program established by the Division
22 under which a person, including, without limitation, a referee or
23 hearing officer, can render decisions on disputes relating to:

24 (a) The interpretation, application or enforcement of any
25 covenants, conditions or restrictions applicable to residential
26 property or any bylaws, rules or regulations adopted by an
27 association; or

28 (b) The procedures used for increasing, decreasing or imposing
29 additional assessments upon residential property.

30 6. "Residential property" includes, but is not limited to, real
31 estate within a planned community subject to the provisions of
32 chapter 116 of NRS or real estate within a condominium hotel
33 subject to the provisions of chapter 116B of NRS. The term does not
34 include commercial property if no portion thereof contains property
35 which is used for residential purposes.

36 **Sec. 7.** 1. This section and sections 3 and 5 of this act
37 become effective upon passage and approval.

38 2. Sections 1, 2, 3.5 and 6 of this act become effective on
39 January 1, 2020.



