

ASSEMBLY BILL NO. 369—ASSEMBLYWOMAN JAUREGUI

MARCH 20, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to common-interest communities. (BDR 10-284)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to common-interest communities; revising provisions governing foreclosure of a unit-owners' association's lien on a unit for certain amounts due to the association; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, a unit-owners' association has a lien on a unit for certain
2 amounts due to the association and may foreclose its lien through a nonjudicial
3 foreclosure sale. (NRS 116.3116-116.31168) Existing law provides that before
4 foreclosing a lien by sale and selling the unit, the association or other person
5 conducting the sale must give notice of the time and place of the sale by recording
6 the notice of sale and by taking certain other actions designed to notify the unit's
7 owner and other persons of the sale. (NRS 116.311635) **Section 1.5** of this bill
8 provides that, notwithstanding any other provision of law, the association or other
9 person conducting the sale may not record the notice of sale or take the other
10 actions described in the statute that are necessary to proceed with the foreclosure
11 sale unless the unit's owner is delinquent on a total of at least 12 months' worth of
12 assessments for common expenses at the time of recording the notice of sale.

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

1 **Section 1.** (Deleted by amendment.)
2 **Sec. 1.5.** NRS 116.311635 is hereby amended to read as
3 follows:
4 116.311635 1. ~~The~~ *Except as otherwise provided in*
5 *subsection 5, the* association or other person conducting the sale



1 shall also, after the expiration of the 90-day period described in
2 paragraph (c) of subsection 1 of NRS 116.31162 and before selling
3 the unit, give notice of the time and place of the sale by recording
4 the notice of sale and by:

5 (a) Posting a similar notice particularly describing the unit, for
6 20 days consecutively, in a public place in the county where the unit
7 is situated;

8 (b) Publishing a copy of the notice three times, once each week
9 for 3 consecutive weeks, in a newspaper of general circulation in the
10 county where the unit is situated;

11 (c) Notifying the unit's owner or his or her successor in interest
12 as follows:

13 (1) A copy of the notice of sale must be mailed, on or before
14 the date of first publication or posting, by certified or registered
15 mail, return receipt requested, to the unit's owner or his or her
16 successor in interest at his or her address, if known, and to the
17 address of the unit; and

18 (2) A copy of the notice of sale must be served, on or before
19 the date of first publication or posting, in the manner set forth in
20 subsection 2; and

21 (d) Mailing, on or before the date of first publication or posting,
22 a copy of the notice by certified mail to:

23 (1) Each person entitled to receive a copy of the notice of
24 default and election to sell notice under subsection 1 of
25 NRS 116.31163;

26 (2) The holder of a security interest recorded before the
27 mailing of the notice of sale, at the address of the holder that is
28 provided pursuant to NRS 657.110 on the Internet website
29 maintained by the Division of Financial Institutions of the
30 Department of Business and Industry; and

31 (3) The Ombudsman.

32 2. In addition to the requirements set forth in subsection 1, a
33 copy of the notice of sale must be served:

34 (a) By a person who is 18 years of age or older and who is not a
35 party to or interested in the sale by personally delivering a copy of
36 the notice of sale to an occupant of the unit who is of suitable age;
37 or

38 (b) By posting a copy of the notice of sale in a conspicuous
39 place on the unit.

40 3. Any copy of the notice of sale required to be served pursuant
41 to this section must include:

42 (a) The amount necessary to satisfy the lien as of the date of the
43 proposed sale; and

44 (b) The following warning in 14-point bold type:



1 WARNING! A SALE OF YOUR PROPERTY IS
2 IMMINENT! UNLESS YOU PAY THE AMOUNT
3 SPECIFIED IN THIS NOTICE BEFORE THE SALE DATE,
4 YOU COULD LOSE YOUR HOME, EVEN IF THE
5 AMOUNT IS IN DISPUTE. YOU MUST ACT BEFORE
6 THE SALE DATE. IF YOU HAVE ANY QUESTIONS,
7 PLEASE CALL (name and telephone number of the contact
8 person for the association). IF YOU NEED ASSISTANCE,
9 PLEASE CALL THE FORECLOSURE SECTION OF THE
10 OMBUDSMAN'S OFFICE, NEVADA REAL ESTATE
11 DIVISION, AT (toll-free telephone number designated by the
12 Division) IMMEDIATELY.

13
14 4. Proof of service of any copy of the notice of sale required to
15 be served pursuant to this section must consist of:

16 (a) A certificate of mailing which evidences that the notice was
17 mailed through the United States Postal Service; or

18 (b) An affidavit of service signed by the person who served the
19 notice stating:

20 (1) The time of service, manner of service and location of
21 service; and

22 (2) The name of the person served or, if the notice was not
23 served on a person, a description of the location where the notice
24 was posted on the unit.

25 ***5. Notwithstanding any other provision of law, the***
26 ***association or other person conducting the sale may not record the***
27 ***notice of sale or take the other actions described in this section***
28 ***that are necessary to proceed with the foreclosure sale unless the***
29 ***unit's owner is delinquent on a total of at least 12 months' worth***
30 ***of assessments for common expenses at the time of recording the***
31 ***notice of sale.***

32 **Sec. 2.** (Deleted by amendment.)

33 **Sec. 3.** (Deleted by amendment.)

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

35 **Sec. 5.** (Deleted by amendment.)

36 **Sec. 6.** (Deleted by amendment.)

37 **Sec. 7.** (Deleted by amendment.)

38 **Sec. 8.** The amendatory provisions of this act apply to a lien
39 for which a notice of default and election to sell is filed on or after
40 July 1, 2019.

41 **Sec. 9.** This act becomes effective on July 1, 2019.



