

CIC TASK FORCE
February 25, 2026 Meeting

REVIEW OF LAST MEETING’S AGENDA DISCUSSION ITEMS:

- 1. Capital Improvement - NRS 116.3115 (9) (NRS 116B.590) Assessments for common expenses; funding of adequate reserves; collection of interest on past due assessments; calculation of assessments for particular types of common expenses; notice of meetings regarding assessments for capital improvements.**

(9) The association shall provide written notice to each unit’s owner of a meeting at which an assessment for capital improvement is to be considered or action is to be taken on such an assessment at least 21 calendar days before the date of the meeting.

Summary of Recommendations –

- Endeavor to define “capital improvement” and its implications: Establish a clear definition, taking into consideration implications with notice requirements and the board’s authority, particularly the use of non-designated capital improvement funds.
- Clarify project classification: Address constituent questions on whether certain projects are capital improvements or upgrades to existing amenities.
- Determine appropriate pathway(s): Explore the Division’s and Commission’s ability to clarify through regulation or advisory opinions under NRS 116.623.
- Develop a practical working definition: Identify criteria for when a project is triggered as a capital improvement.

Suggested Language –

“Capital Improvement” defined. A capital improvement refers to the addition of a new or substantially different component to the common elements, distinct from reserve-funded major components.

- (1) Non-Capital Improvements. Repairs, replacements, or enhancements of existing common area components intended to preserve, restore, or maintain their original function are not capital improvements. These may incorporate new technologies or materials that improve efficiency, durability, or sustainability, provided they do not materially alter the size, scope, or intended use of the common element or add a new facility. Such expenditures are considered routine maintenance and funding is distinct from designated reserve-funded projects.
- (2) Cost Threshold Backstop. A project is considered a capital improvement if it involves a major component of the common elements and exceeds a [defined] percentage above the approved operating expense or assessment budget for the fiscal year.

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REVIEW OF LAST MEETING’S AGENDA DISCUSSION ITEMS:

2. Complaints placed on agenda - NRS 116.31087 (NRS 116B.510) - Right of units’ owners to have certain complaints placed on agenda of meeting of executive board

1. If an executive board receives a written complaint from a unit’s owner alleging that the executive board has violated any provision of this chapter or any provision of the governing documents of the association, the executive board shall, upon the written request of the unit’s owner, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the executive board.

2. Not later than 10 business days after the date that the association receives such a complaint, the executive board or an authorized representative of the association shall acknowledge the receipt of the complaint and notify the unit’s owner that, if the unit’s owner submits a written request that the subject of the complaint be placed on the agenda of the next regularly scheduled meeting of the executive board, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the executive board.

Summary of Recommendations –

- Clarify the process for placing a unit owner’s written complaint on the board’s agenda for discussion.
- Identify matters that must be addressed in executive session under NRS 116.31083.
- Balance transparency with risk management: Ensure the board provides a substantive response without jeopardizing legal position, insurance coverage, or its ability to conduct normal business. Recommend routing through the association manager and legal counsel when appropriate.
- Moderate the expectations of the statute’s purpose and outcomes.
- Identify evidentiary standards: Written complaints under NRS 116.31087 must allege violations of the chapter or governing documents and include supporting facts.
- Evaluate the statute’s added value: Owners already have the opportunity to raise similar concerns during the open comment period at board meetings.

Suggested Language -

Clean-up of Existing Language: “Not later than 10 business days after the date the executive board receives a written complaint from a unit’s owner alleging that the executive board has violated any provision of this chapter or any provision of the governing documents of the association, the executive board or an authorized representative of the association shall acknowledge the receipt of the complaint and notify the unit’s owner that, if the unit’s owner submits a written request that the subject of the complaint be placed on the agenda of the next regularly scheduled meeting of the executive board, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the executive board.”

For additional discussion, language regarding public forum policies:

“Nothing in this section compels the board to engage in public dialogue regarding matters that are reserved for executive session NRS 116.31085, but the board must provide a non-privileged written response to the unit owner within 10 calendar days after the meeting at which the subject appeared on the agenda, unless extended for good cause, stating: (1) the board’s findings or determination; (2) citations to relevant provisions of this chapter or the governing documents; and (3) if the complaint remains unresolved after the board’s response, shall inform the owner of the right to seek next steps from the Ombudsman’s Office. Furthermore, the association and its directors shall not harass, intimidate, or retaliate against an owner for filing a complaint or requesting agenda placement, consistent with NRS 116.31183.”

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REVIEW OF LAST MEETING’S AGENDA DISCUSSION ITEMS:

3. Reasonable Time to Prohibit Use of Common Element - NRS 116.31031(1)(a)(b) (NRS 116B.430)

NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents; regulations; limitations; procedural requirements; continuing violations; collection of past due fines; statement of balance owed.

1. Except as otherwise provided in this section, if a unit’s owner or a tenant or an invitee of a unit’s owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

*(a) **Prohibit, for a reasonable time**, the unit’s owner or the tenant or the invitee of the unit’s owner or the tenant from:*

*(1) **Voting on matters related to the common-interest community.***

*(2) **Using the common elements.** The provisions of this subparagraph do not prohibit the unit’s owner or the tenant or the invitee of the unit’s owner or the tenant from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.*

Summary of Recommendations –

- Define “reasonable time” by establishing specific time frames for enforcement actions.
- Adopt a flexible definition of “reasonable time” based on objective factors: Consider severity of the violation, potential safety risks, property damage, harassment, repeat offenses, history of prior violations, corrective actions taken, and consistency in applying standards across all owners.
- Consider regulatory clarification through Commission rulemaking.
- Address scope concerns: Current statute applies to violations of any governing document provision, not just misuse of common areas. Explore alternative approaches for certain violations.
- Voting rights limitations: Uniform Law prohibits suspending voting rights or candidacy; restricting these rights may outweigh the severity of most violations.
- Reasonable sanctions: Temporary suspension of access to common areas (e.g., pool, clubhouse) may be appropriate if procedures are adopted in advance, communicated to members, and posted at least 30 days prior. Notices should define violations, sanctions, time frames, and adjudication procedures. Sanctions should not exceed 90 days total, and health/safety/welfare restrictions should be reserved for extreme cases. Suspension of voting rights should be rare and carefully considered.
- CC&Rs guidance: Many governing documents specify suspension periods (e.g., 30–60 days or until violations are cured or assessments paid).
- Address serial violations: Develop a process for recurring infractions (e.g., parking violations), considering boards may only meet quarterly under statutory requirements.

Suggested Language –

NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents; regulations; limitations; procedural requirements; continuing violations; collection of past due fines; statement of balance owed.

*1. Except as otherwise provided in this section, if a unit’s owner or a tenant or an invitee of a unit’s owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so ~~provide~~ **authorize**:*

*(b) **Prohibit, for a reasonable time not to exceed 30/60/90 days or for as long as the violations remain uncured or the assessment remains due/delinquent**, the unit’s owner or the tenant or the invitee of the unit’s owner or the tenant from:*

(1) ~~Voting on matters related to the common-interest community.~~

*(2) **Using the common elements.** The provisions of this subparagraph do not prohibit the unit’s owner or the tenant or the invitee of the unit’s owner or the tenant from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.*