

WHAT DOES SB 174 REQUIRE OF MARRIED BOARD MEMBERS?

Senate Bill 174, to be effective October 1, 2015, places limits on who can run for and serve on an association's board of directors. The Bill amends NRS 116.31034 by restricting people who are related by blood, adoption, or marriage, or who are cohabitating from serving together on the association's board of directors or serving as an officer of an association. The Bill also limits any person who stands to gain any personal profit or compensation of any kind from a matter before the board from running for or being a member of or an officer of an association. The Bill further provides that if a person is not eligible to be a candidate or a member of the board or an officer pursuant to the provisions of NRS 116, the association cannot place their name on the ballot and must prohibit such person from serving on the board or as an officer.

The Exceptions:

Married people, or those residing together or related by blood or adoption, may both be candidates for or members of the association's board or an officer only if the number of candidates running for the board is less than or equal to the number of open seats.

A person owning 75% or more of the units in an association may serve on the board with someone they live with, or are related to by blood, adoption or marriage, unless they constitute a majority of the board.

Declarant representatives are not subject to any restrictions.

What Married Board Members Should Do Before October 1, 2015:

As of October 1, 2015, married board members or those otherwise related or cohabitating as per the new Bill must decide between themselves which person will resign from the board to avoid being in violation of NRS 116.31034 as amended by SB 174 (2015). If one of them fails to resign, the association is obligated to prohibit them from serving on the board or as an officer.

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