

NOTICE OF INTENT TO ACT UPON A REGULATION

NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT OR REPEAL OF REGULATIONS OF THE NEVADA REAL ESTATE COMMISSION

LCB FILE No. R129-21

The Nevada Real Estate Commission will conduct a public hearing at **9:00 a.m. on Tuesday, December 6, 2022**. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to Chapter 116 of the Nevada Administrative Code.

Members of the public can listen to the hearing and participate during the agenda items designated for public comment in person, by telephone or virtually via Webex.

WEBEX DIAL-IN NUMBER: 1-844-621-3956, 24945261865##

or via Webex.com

MEETING NUMBER (ACCESS CODE): 2494 526 1865

MEETING PASSWORD: F6MkbJMgC37

The following information is provided pursuant to the requirements of NRS 233B.060:

Information Regarding Adoption

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

1. Purpose and need of the proposed regulations

As the number of common-interest communities in Nevada continues to grow, the business and day to day operations of common-interest communities continues to evolve with changes in technology and the increased cost of business, it is imperative that the regulations that govern these associations reflect those changes. The implementation of these regulations will provide further guidance to homeowner associations, licensees and stakeholders on several areas of law as described below.

2. Terms of the proposed regulations

- Specifies what contact information an executive board must provide for each member of the board to the Real Estate Division
- Provides additional authorization for the Commission to consider the conduct of an executive board member

- Establishes standards and format to be followed when preparing financial statements of a common-interest community
- Establishes guidelines for the estimated amount of reserve funds necessary required in the next fiscal year budget
- Specifies the time period of when a full reserve study must be completed
- Amends the information included in a reserve study and revises the definition of adequately funded reserves
- Revises provisions relating to the submission of a summary of the reserve study submitted to the Real Estate Division by an executive board
- Increases the maximum amount of fees that a common-interest community may charge a unit's owner to cover the cost of collection past-due obligations
- Revises the circumstances the Real Estate Division is able to investigate financial accounts related to a common-interest community
- Establishes criteria for approval and eligibility for temporary community manager certificate
- Establishes renewal period for license
- Establishes limit on number of provisional community managers supervised by an individual supervising community manager
- Establishes time frame required for community managers to notify the Real Estate Division of changes
- Establishes requirements for request and approval of distance education courses
- Establishes
- Repeals duplicate definitions currently in the Nevada Revised Statutes
- Eliminates obsolete references to certain sections of the Nevada Administrative Code

3. Estimated Economic Effect

(a) Adverse effects:

Increases to the cost of collection of past due obligations is proposed in the regulation. While this increase will primarily affect the small number of homeowners who are delinquent in their assessments, some associations may see a small increase for professional services included in their annual budget. These monies would be recouped upon repayment of the past due obligation.

(b) Beneficial effects:

The business of running an association continues to rise. The proposed increases would help the business sustain themselves and enable them to utilize assistance from industry experts to perform the tasks of noticing, collections and legal representation. Changes to the requirements around audits and the timing of when they are adopted by associations, will help accounting and audit firms plan better, thereby reducing expenses.

(c) Immediate effect:

Executive board members of an association may find that specific guidelines for submission of financial records, audits and adoption of the reserve study helpful as they plan the annual business of the association. Ensuring that the association is in compliance should also decrease financial pitfalls caused by

unexpected expenses. Regulation of the temporary community manager certificate will all ensure that persons holding such a certificate, receive the appropriate supervision and experience in order to obtain their community manager certificate after the one-year period.

(d) Long term effects:

The reduced number of provisional community managers supervised by a single supervising community manager will allow the provisional community managers a greater opportunity for coaching, shadowing and correction during their provisional status. This increased attention during the learning phase should empower them to be more confident in their job functions once they apply for their community manager certificate.

4. Estimated Cost to the Agency.

There will be no additional cost to the agency for enforcement of LCB File No. R129-21.

5. Duplication with other Agencies:

LCB File No. R129-21 does not include any provisions which duplicate or are more stringent than federal, state or local standards.

6. Federal Law:

LCB File No. R129-21 does not include any provisions which duplicate or are more stringent than federal, state or local standards.

7. Federal Regulation:

LCB File No. R129-21 does not include any provisions which duplicate or are more stringent than federal, state or local standards.

8. New Fee Established:

LCB File No. R129-21 does include a provision which amends the amount of fees that a common-interest community may charge a unit's owner to cover the cost of collecting past due obligations.

Comments and Written Submissions

Persons wishing to comment on the proposed action of the Commission may appear at the scheduled public hearings or may address their comments, data, views or arguments, in written form to:

Nevada Real Estate Division
Attn: Shareece Bates, Administration Section Manager
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV. 89102
publiccomments@red.nv.gov

Written submissions must be received by the Division no later than Friday, December 2, 2022. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Commission may proceed immediately to act upon any written submissions.

Copies of Proposed Regulation

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation are available on the Division website at www.red.nv.gov and at the Division office:

Real Estate Division
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV. 89102

The text of each regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at:

<https://www.leg.state.nv.us/Register/2021Register/R129-21.pdf>

Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Nevada Real Estate Division
1818 E. College Parkway, Suite 110
Carson City, Nevada 89706

Carson City Library
900 N. Roop Street
Carson City, Nevada 89701

Churchill County Library
553 S. Maine Street
Fallon, Nevada 89406

Elko County Library
720 Court Street
Elko, Nevada 89801

Lincoln County Library
63 Main Street
PO Box 330
Pioche, Nevada 89043

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Tonopah Public Library
167 S. Central Street
Tonopah, Nevada 89049

Washoe County Library-Reno
301 S. Center Street
Reno, Nevada 89501

Battle Mountain Library
625 S. Broad Street
Battle Mountain, Nevada 89820

State of Nevada Legislative Counsel
Bureau website
<https://www.leg.state.nv.us/>

State of Nevada Public Notice website
<https://notice.nv.gov/>

Nevada State Business Center
3300 W. Sahara Avenue
Las Vegas, Nevada 89102
www.red.nv.gov

Las Vegas-Clark County Library
833 N. Las Vegas Boulevard
Las Vegas, Nevada 89101

Douglas County Public Library
1625 Library Lane
Minden, Nevada 89423

Goldfield Public Library
PO Box 430
Goldfield, Nevada 89013

Humboldt County Library
85 E. Fifth Street
Winnemucca, Nevada 89445

Storey County Library
PO Box 999
175 E. Carson Street
Virginia City, Nevada 89440

Mineral County Library
PO Box 1390
Hawthorne, Nevada 89415

Pershing County Library
400 Main Street
Lovelock, Nevada 89419

White Pine County Library
950 Campton Street
Ely, Nevada 89301