

**SMALL BUSINESS IMPACT STATEMENT
CHANGES TO NAC 116 & 116B
OCTOBER 7, 2020**

Changes to NAC 116 & 116B Small Business Impact Statement pursuant to NRS 233B.0608:

(a) A description of the manner in which comment was solicited from affected small business, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

On July 29, 2020 the Commission for Common-Interest Communities and Condominium Hotels (Commission) posted the notice to solicit public comment for proposed changes to NAC 116 and 116B on the Division's website and sent proposed changes to licensees, organizations, associations, interest parties and businesses related to this profession to solicit comments. Along with the proposed changes to NAC 116 and 116B, a small business impact survey was posted for small businesses to complete regarding how the proposed changes will affect their business. The notice and survey were posted for 30 days and no public comments or surveys were received.

Interested persons may obtain a copy of the small business impact statement or submit statements of impact to:

Teralyn Lewis
Administration Section Manager
Nevada Real Estate Division
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV 89102
Teralyn.Lewis@red.nv.gov
702-486-4036

(b) The manner in which the small business analysis was conducted for Changes to NAC 116 and 116B.

The Commission posted the notice to solicit public comment for proposed changes to NAC 116 and 116B on July 29, 2020 for a period of thirty (30) days. No public comment was submitted.

Proposed changes to NAC 116 and NAC 116B are due to statutory changes that took place during the 2019 Legislative Session in which Assembly Bill 335 amended NRS 116.4109 and housekeeping item required by NRS 233B.040(3)(b).

(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:

(1) Both adverse and beneficial effects:

(I) Adverse effects:

Those interested in purchasing the Guide to Homeowners' Associations and Other Common Interest Realty Associations might be effected by the

increase in the price.

The increase in the charge to prepare the certificate pursuant to NRS 116.4109 and the escrow payoff demand fee may negatively effect homebuyers and sellers by increasing costs during the sale transaction.

(II) Beneficial effects:

Those in the industry who use the Guide to Homeowners' Associations and Other Common Interest Realty Associations would know where to purchase the guide and the correct costs. The guide covers unique accounting, auditing, and reporting issues for common-interest communities.

The increase in the charge to prepare the certificate pursuant to NRS 116.4109 and the escrow payoff demand fee reflect actual costs of doing business and those who perform these serves will be appropriately compensated.

(2) Both direct and indirect effects.

(I) Direct effect:

Those in the industry who use the Guide to Homeowners' Associations and Other Common Interest Realty Associations would know where to purchase the guide and the correct costs.

The increase in the charge to prepare the certificate pursuant to NRS 116.4109 and the escrow payoff demand fee directly effect homebuyers and sellers by increasing costs during the sale transaction.

(II) Indirect effect:

Those in the industry who use the Guide to Homeowners' Associations and Other Common Interest Realty Associations will be referred to the updated link and costs.

(d) A description of the methods that the Commission considered to reduce the impact of Changes to NAC 116 and 116B on small businesses and a statement whether the agency actually used any part of those methods.

Proposed changes to NAC 116 and NAC 116B are due to statutory changes that took place during the 2019 Legislative Session in which Assembly Bill 335 amended NRS 116.4109 and housekeeping item required by NRS 233B.040(3)(b).

If the Commission receives public comment during the workshop and adoption hearing, those comments will be incorporate into the updated small business impact statement.

(e) The estimated cost to the agency for enforcement of the proposed regulation.

No additional estimated costs to the agency for enforcement of the proposed regulation.

(f) If Changes to NAC 116 and 116B provides a new fee or increases an existing fee, the total annual amount the Real Estate Division expects to collect and the manner

in which the money will be used.

This proposed regulation does not add a new fee or proposes any increases to existing fees.

(g) If Changes to NAC 116 and 116B includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

Changes to NAC 116 and 116B do not include any provisions that are duplicate or are more stringent than federal, state or local standards regulating the same activity.

(h) The reasons for the conclusions of the Commission regarding the impact of Changes to NAC on small businesses.

Proposed changes to NAC 116 and NAC 116B are due to statutory changes that took place during the 2019 Legislative Session in which Assembly Bill 335 amended NRS 116.4109 and housekeeping item required by NRS 233B.040(3)(b).

The Commission did not receive additional comments.

I certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement is accurate. (NRS 233B.0608(3))

Sharath Chandra, Administrator

Department of Business & Industry

Real Estate Division