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SENATE BILL NO. 433—COMMITTEE ON JUDICIARY

MARCH 24, 2025

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Referred to Committee on Judiciary

SUMMARY—Revises provisions governing common-interest communities. (BDR 10-1105)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.  
Effect on the State: Yes.

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

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AN ACT relating to property; authorizing the executive board of a unit-owners' association to make an assessment to fund certain repairs; requiring a structural inspection of certain buildings in a common-interest community; requiring an association to establish reserves for corrective repairs; requiring a study of reserves of an association to include an estimate of the costs of certain repairs; revising provisions governing the duty of the executive board to provide or make available to a unit's owner certain records; prohibiting certain persons within or associated with a common-interest community from committing certain acts; requiring a written report from a structural inspection of certain buildings in a common-interest community to be provided under certain circumstances; eliminating the authority of the Real Estate Division of the Department of Business and Industry to establish a program for rendering of certain disputes; authorizing the Commission for Common-Interest Communities and Condominium Hotels or a hearing panel to prohibit certain persons from serving on the executive board; revising certain provisions governing actions for constructional defects; providing penalties; and providing other matters properly relating thereto.



**Legislative Counsel's Digest:**

1 **Section 16** of this bill: (1) establishes certain requirements for the structural  
2 inspection of the primary load-bearing system of a residential building in a  
3 common-interest community that meets certain criteria relating to height and  
4 materials and techniques of construction, defined as a "covered building" in **section**  
5 **5** of this bill; and (2) imposes certain duties on a structural inspector who performs  
6 such a structural inspection. **Section 16** also: (1) prohibits a certificate of  
7 occupancy to be issued for a covered building until a structural inspector confirms  
8 that the primary-load bearing system of the building conforms to approved  
9 construction plans; (2) authorizes the office of a city or county building official to  
10 recover any additional cost incurred as a result of such structural inspections; and  
11 (3) requires the governing body of certain cities and counties to adopt ordinances to  
12 carry out these provisions.

13 **Section 17** of this bill sets forth certain periods by which an owner of a covered  
14 building is required to retain a structural inspector to perform certain structural  
15 inspections of the building components of the primary load-bearing system of a  
16 covered building. **Section 57** of this bill requires the owner of a covered building to  
17 retain a structural inspector to perform such a structural inspection of the building  
18 components of the primary load-bearing system of a covered building for which a  
19 certificate of occupancy was issued before the date on which certain provisions of  
20 this bill become effective.

21 **Section 18** of this bill provides that a structural inspection may be performed in  
22 conjunction with any other required inspection. **Section 19** of this bill requires a  
23 structural inspector, before undertaking a structural inspection of a covered  
24 building, to review the written report from the most recent structural inspection of  
25 the covered building. **Sections 20, 31 and 32** of this bill require a structural  
26 inspector who has performed a structural inspection to issue a written report and  
27 sets forth certain requirements for that report, including, without limitation,  
28 requiring the report to be: (1) filed with, or provided or made available to, certain  
29 persons; and (2) included within a public offering statement of a common-interest  
30 community and a resale package. **Section 21** of this bill imposes certain duties on  
31 the owner of a covered building who receives a written report of a structural  
32 inspection. **Section 22** of this bill requires the Commission for Common-Interest  
33 Communities and Condominium Hotels to adopt regulations relating to structural  
34 inspections. **Sections 3-6, 8-13 and 23** of this bill define certain words and terms  
35 for the purposes of such inspections.

36 **Sections 15 and 26** of this bill: (1) authorize the executive board of an  
37 association to make assessments for certain corrective repairs; and (2) require an  
38 association to establish reserves for corrective repairs. **Section 27** of this bill  
39 requires the study of reserves of an association to include an estimate of the costs  
40 associated with implementing any corrective repairs deemed necessary pursuant to  
41 a written report of a structural inspector.

42 **Section 24** of this bill revises certain provisions for the applicability to certain  
43 planned communities of words and terms defined in **sections 2-14** of this bill and  
44 provisions governing structural inspections in **sections 15-22** of this bill.

45 Existing law requires a declarant of a common-interest community to deliver to  
46 an association certain property of the units' owners and of the association held or  
47 controlled by the declarant. (NRS 116.31038) **Section 25** of this bill eliminates the  
48 requirement that the declarant deliver a copy of any plans and specifications used in  
49 the construction of the improvements in the common-interest community which  
50 were completed within 2 years before the declaration was recorded. **Section 25**  
51 requires the declarant to deliver: (1) a copy of any plans and specifications used in  
52 the construction of the improvements to common elements in the common-interest  
53 community; and (2) for any covered building, a manual of preventive maintenance  
54 relating to the common elements with a statement of the funds necessary to perform



55 the preventive maintenance in accordance with the schedule provided in the  
56 manual.

57 Existing law: (1) prohibits certain persons within a common-interest  
58 community from committing certain acts against another person within that same  
59 common-interest community; and (2) provides that committing any such act is a  
60 misdemeanor. (NRS 116.31184) **Section 30** of this bill includes bullying and cyber-  
61 bullying among the prohibited acts. **Sections 2 and 7** of this bill define the terms  
62 "bullying" and "cyber-bullying" for the purposes of such prohibitions. **Section 14**  
63 of this bill revises the definition of the term "violation" to include violations of  
64 such new prohibitions for the purposes of authorizing investigations and remedial  
65 and disciplinary action, and **section 59** of this bill repeals the existing definition of  
66 the term "violation." **Sections 33, 38-40 and 44** of this bill make conforming  
67 changes to eliminate references to the repealed definition of the term "violation."

68 Existing law sets forth procedures by which: (1) a person who is aggrieved by  
69 an alleged violation may file a written affidavit with the Real Estate Division of the  
70 Department of Business and Industry; (2) the Division is required, except under  
71 certain circumstances, to refer the affidavit to the Ombudsman for Owners in  
72 Common-Interest Communities and Condominium Hotels for guidance and a  
73 report; and (3) the Division investigates the alleged violation, files a formal  
74 complaint with the Commission and schedules a hearing. (NRS 116.760, 116.765)  
75 **Section 41** of this bill requires the Division to refer the affidavit to the Ombudsman  
76 if the Division determines that: (1) the allegations in the affidavit are not vexatious,  
77 misleading, retaliatory, frivolous, false or fraudulent; and (2) the alleged violation,  
78 if assumed to be true, would constitute a violation. **Section 42** of this bill requires  
79 the Administrator of the Division to file a formal complaint with the Commission  
80 and schedule a hearing if, after receiving a report from the Ombudsman and  
81 investigating the alleged violation, the Division reasonably believes that: (1) the  
82 allegations in the affidavit are supported by probable cause; (2) the admissible  
83 evidence is sufficient to support sanctions against the respondent by a  
84 preponderance of the evidence; and (3) a decision to file a formal complaint with  
85 the Commission is in the best interests of justice and associations in this State.

86 **Section 43** of this bill authorizes the Commission or a hearing panel to prohibit  
87 a respondent from serving on the executive board of an association for a period not  
88 to exceed 10 years under certain circumstances.

89 Existing law requires the executive board of an association to provide, upon the  
90 written request of a unit's owner, a copy of certain records in electronic format at  
91 no cost to the unit's owner. (NRS 116.31175) **Section 28** of this bill: (1) authorizes  
92 the executive board to charge a fee to cover the actual costs of preparing a copy of  
93 the records in electronic format, not to exceed 25 cents per page for the first 10  
94 pages, and 10 cents per page thereafter; (2) revises the amount an executive board  
95 may charge a unit's owner to review any books, records, contracts or other papers  
96 of the association; and (3) provides that the requirement to provide a copy of  
97 records to a unit's owner does not apply to the personnel records of the employees  
98 of the association, including, without limitation, information relating to the salaries  
99 and benefits of the employees and other information concerning the employees.

100 Existing law: (1) prohibits an executive board, a member of an executive board,  
101 a community manager or an officer, employee or agent of an association from  
102 taking, or directing or encouraging another person to take, any retaliatory action  
103 against a unit's owner under certain circumstances; and (2) authorizes, in addition  
104 to any other remedy provided by law, a unit's owner to bring a separate action to  
105 recover compensatory damages and attorney's fees and costs of bringing the action.  
106 (NRS 116.31183) **Section 29** of this bill: (1) similarly prohibits a unit's owner,  
107 tenant of a unit's owner or guest or invitee of a unit's owner or tenant of a unit's  
108 owner from taking retaliatory action against an executive board, a member of an  
109 executive board, a community manager or an officer, employee or agent of an



110 association under certain circumstances; (2) authorizes an executive board, a  
111 member of an executive board, a community manager or an officer, employee or  
112 agent of an association to bring an action for the same remedies; and (3) provides a  
113 definition of the term "retaliatory action."

114 Existing law authorizes the Division to establish a program for the rendering of  
115 decisions on disputes relating to: (1) the interpretation, application or enforcement  
116 of any covenants, conditions or restrictions applicable to residential property or any  
117 bylaws, rules or regulations adopted by an association; or (2) the procedures used  
118 for increasing, decreasing or imposing additional assessments upon residential  
119 property. Existing law also provides that a civil action based upon a claim relating  
120 to such a dispute may not be commenced in any court in this State unless the action  
121 has been submitted to mediation or, if the parties agree, has been referred to the  
122 program of the Division for the rendering of decisions on such disputes. (NRS  
123 38.300-38.360) **Sections 34-37 and 45-54** of this bill: (1) eliminate the authority of  
124 the Division to establish a program for the rendering of decisions on such disputes;  
125 (2) provide for such disputes to be submitted to arbitration as well as mediation;  
126 and (3) delete references to the eliminated program of the Division.

127 **Section 55** of this bill revises the definition of the term "constructional defect"  
128 for the purposes of actions for constructional defects. **Section 56** of this bill  
129 authorizes a claimant in an action for constructional defects to recover any  
130 reasonable attorney's fees sufficient to place the claimant in as good a position as  
131 the claimant would have been if the constructional defect did not exist. **Section 58**  
132 of this bill provides that the provisions amended in **sections 55 and 56** apply to  
133 actions for constructional defects commenced before, on or after the effective date  
134 of those sections.

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

1 **Section 1.** Chapter 116 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 22, inclusive, of this  
3 act.

4 **Sec. 2. 1. "Bullying" means written, verbal or electronic**  
5 **expressions or physical acts or gestures, or any combination**  
6 **thereof, that are directed at a person or group of persons, or a**  
7 **single severe and willful act or expression that is directed at a**  
8 **person or group of persons, and:**

9 (a) *Have the effect of:*

10 (1) *Physically harming a person or damaging the property*  
11 *of a person; or*

12 (2) *Placing a person in reasonable fear of physical harm to*  
13 *the person or damage to the property of the person;*

14 (b) *Interfere with the rights of a person by:*

15 (1) *Creating an intimidating or hostile environment for the*  
16 *person; or*

17 (2) *Substantially interfering with the ability of the person to*  
18 *participate in or benefit from services, activities or privileges*  
19 *provided by an association; or*



1 (c) *Are acts or conduct described in paragraph (a) or (b) and*  
2 *are based upon the:*

3 (1) *Actual or perceived race, color, national origin,*  
4 *ancestry, religion, gender identity or expression, sexual*  
5 *orientation, physical or mental disability of a person, sex or any*  
6 *other distinguishing characteristic or background of a person; or*

7 (2) *Association of a person with another person having one*  
8 *or more of those actual or perceived characteristics.*

9 2. *The term includes, without limitation:*

10 (a) *Repeated or pervasive taunting, name-calling, belittling,*  
11 *mocking or use of put-downs or demeaning humor regarding the*  
12 *actual or perceived race, color, national origin, ancestry, religion,*  
13 *gender identity or expression, sexual orientation, physical or*  
14 *mental disability of a person, sex or any other distinguishing*  
15 *characteristic or background of a person;*

16 (b) *Behavior that is intended to harm another person by*  
17 *damaging or manipulating his or her relationships with others by*  
18 *conduct that includes, without limitation, spreading false rumors;*

19 (c) *Repeated or pervasive nonverbal threats or intimidation*  
20 *such as the use of aggressive, menacing or disrespectful gestures;*

21 (d) *Threats of harm to a person, to his or her possessions or to*  
22 *other persons, whether such threats are transmitted verbally,*  
23 *electronically or in writing;*

24 (e) *Blackmail, extortion or demands for protection money or*  
25 *involuntary loans or donations;*

26 (f) *Unlawfully blocking access to any property or facility of a*  
27 *common-interest community;*

28 (g) *Stalking; and*

29 (h) *Physically harmful contact with or injury to another*  
30 *person or his or her property.*

31 3. *As used in this section:*

32 (a) *“Protective hairstyle” includes, without limitation,*  
33 *hairstyles such as natural hairstyles, afros, bantu knots, curls,*  
34 *braids, locs and twists.*

35 (b) *“Race” includes traits associated with race, including,*  
36 *without limitation, hair texture and protective hairstyles.*

37 **Sec. 3.** *“Building official” has the meaning ascribed to it in*  
38 *NRS 278.0115.*

39 **Sec. 4.** *“Corrective repair” means repairs or other*  
40 *corrections to be undertaken following the detection of:*

41 1. *A potential failure;*

42 2. *Deterioration; or*

43 3. *A condition that may lead to premature deterioration,*



1 ↪ of the primary load-bearing system of a covered building, as  
2 reported by a structural inspector with the goal of remediating the  
3 condition described in subsection 1, 2 or 3.

4 **Sec. 5.** "Covered building" means a residential building in a  
5 common-interest community that is greater than three stories in  
6 height and constructed, without limitation:

7 1. With load-bearing concrete, masonry, steel, heavy timber  
8 or podium decks; or

9 2. As a hybrid structure.

10 **Sec. 6.** "Covered building owner" means:

11 1. A person whose name appears in the register or other  
12 records of a county clerk as the owner of record of a covered  
13 building; or

14 2. An association of a common-interest community which  
15 includes a covered building.

16 **Sec. 7.** "Cyber-bullying" means bullying through the use of  
17 electronic communication. As used in this section, "electronic  
18 communication" means the communication of any written, verbal  
19 or pictorial information through the use of an electronic device,  
20 including, without limitation, a telephone, a cellular telephone, a  
21 computer or any similar means of communication.

22 **Sec. 8.** "Enforcing agency" means the office of a city or  
23 county building official.

24 **Sec. 9.** "Initial structural inspection" means a structural  
25 inspection required or performed pursuant to subsection 1 of  
26 section 17 of this act.

27 **Sec. 10.** "Primary load-bearing system" means the  
28 assemblage of structural components within a building that, by  
29 contiguous interconnection, form a path by which external and  
30 internal forces applied to the covered building are delivered to the  
31 ground.

32 **Sec. 11.** "Structural inspection" means an inspection  
33 performed by a structural inspector of the building components  
34 forming the primary load-bearing system of a covered building.

35 **Sec. 12.** "Structural inspector" means:

36 1. A building official who is also a professional engineer  
37 licensed as a structural engineer in this State pursuant to chapter  
38 625 of NRS and the regulations adopted pursuant thereto; or

39 2. A professional engineer licensed as a structural engineer  
40 in this State pursuant to chapter 625 of NRS and the regulations  
41 adopted pursuant thereto, with whom a covered building owner or  
42 enforcing agency enters into a contract to perform structural  
43 inspections of covered buildings pursuant to sections 16 to 22,  
44 inclusive, of this act.



1     **Sec. 13.** *“Subsequent structural inspection” means a*  
2 *structural inspection required or performed pursuant to*  
3 *subsection 2 of section 17 of this act.*

4     **Sec. 14.** *“Violation” means a violation of:*

- 5     1. *Any provision of this chapter;*
- 6     2. *Any regulation adopted pursuant to this chapter; or*
- 7     3. *Any order of the Commission or a hearing panel.*

8     **Sec. 15.** 1. *Notwithstanding the terms of a declaration, a*  
9 *master deed, the bylaws or any other governing document of an*  
10 *association, the executive board may, without the consent of the*  
11 *units’ owners or the approval of a declarant selling units in a*  
12 *common-interest community, make an assessment payable by the*  
13 *units’ owners over one or more fiscal years or obtain a loan on*  
14 *such terms as the executive board determines are reasonable,*  
15 *including, without limitation, by assigning rights to future income,*  
16 *whenever necessary to fund the cost of corrective repair of the*  
17 *primary load-bearing system of a covered building pursuant to*  
18 *sections 16 to 22, inclusive, of this act or to maintain adequate*  
19 *reserve funds for an association pursuant to the current study of*  
20 *the reserves.*

21     2. *Before making an assessment or obtaining a loan pursuant*  
22 *to this section for a corrective repair to a covered building, the*  
23 *executive board must:*

24     (a) *Make a determination that the assessment or loan for the*  
25 *constructive repair is necessary to maintain the structural integrity*  
26 *of the covered building; and*

27     (b) *Obtain a written report from an engineer licensed by this*  
28 *State that states that the failure to undertake corrective repair of*  
29 *the primary load-bearing system of the covered building will:*

30     (1) *Constitute an imminent or reasonably foreseeable*  
31 *hazard to health or safety;*

32     (2) *Constitute a violation of the provisions of sections 16 to*  
33 *22, inclusive, of this act; or*

34     (3) *Result in a material increase in the cost of such*  
35 *corrective repair if delayed.*

36     3. *Nothing in this section shall be construed to prevent an*  
37 *association from pursuing or interfere with the right of an*  
38 *association to pursue an action for a constructional defect related*  
39 *to any common element of the common-interest community.*

40     **Sec. 16.** 1. *When an application for a building permit that*  
41 *proposes to create, amend or modify the primary load-bearing*  
42 *system of a covered building is filed with an enforcing agency, the*  
43 *enforcing agency shall, before issuing a building permit, consult*  
44 *with a structural inspector chosen by the enforcing agency or*  
45 *covered building owner and, except as otherwise provided in this*



1 subsection, establish a schedule of structural inspections to  
2 confirm that the primary load-bearing system conforms to the  
3 plans submitted by the applicant for the building permit.  
4 Inspections must not be required as a condition for the issuance of  
5 a building permit pursuant to this subsection if the structural  
6 inspector consulted by the enforcing agency determines that the  
7 building which is the subject of the application for a building  
8 permit is not in fact a covered building.

9 2. Structural inspections performed pursuant to a schedule  
10 established pursuant to subsection 1 must be performed under the  
11 direction of a structural inspector. The structural inspector may be  
12 assisted by other licensed professionals who are qualified in  
13 various special disciplines, including, without limitation,  
14 geotechnical and civil engineering practices, as needed to perform  
15 the structural inspections required by this section.

16 3. In performing a structural inspection pursuant to this  
17 section, a structural inspector shall review the construction plans  
18 submitted with the application for a building permit and issue a  
19 written report which includes a statement whether the primary  
20 load-bearing system of the covered building conforms to the  
21 construction plans. If the structural inspector determines that the  
22 primary load-bearing system does not conform to the construction  
23 plans, the applicant for the building permit shall provide  
24 additional construction plans which conform to the modification  
25 to the primary load-bearing system.

26 4. The creation, repair, renovation, alteration or modification  
27 of the primary load-bearing system of a covered building required  
28 as a result of any inspection must be inspected by a structural  
29 inspector before a certificate of occupancy may be issued for the  
30 covered building.

31 5. A certificate of occupancy for a covered building must not  
32 be issued until a structural inspector issues a written report which  
33 includes a statement confirming that the primary load-bearing  
34 system of the covered building conforms to approved construction  
35 plans.

36 6. Any additional cost to an enforcing agency incurred as a  
37 result of structural inspections performed pursuant to this section  
38 may be recovered through a fee which:

39 (a) Is associated with an application for a building permit for a  
40 covered building; and

41 (b) Must be paid by a covered building owner during the  
42 application process.

43 7. The governing body of a city or county to which an  
44 enforcing agency pertains shall adopt ordinances necessary to  
45 carry out the purposes of this section.





1       **Sec. 17.** *A covered building owner shall retain a structural*  
2 *inspector to perform:*

3       1. *An initial structural inspection of the building components*  
4 *of the primary load-bearing system of the covered building for*  
5 *which a certificate of occupancy has been issued not later than the*  
6 *earlier of:*

7       (a) *Five years after the date on which a certificate of*  
8 *occupancy is issued for the covered building; or*

9       (b) *Sixty days after the date on which damage to the primary*  
10 *load-bearing system is observed.*

11       2. *A subsequent structural inspection of the building*  
12 *components of the primary load-bearing system of the covered*  
13 *building in accordance with the schedule specified by a structural*  
14 *inspector in the written report for the most recent structural*  
15 *inspection as described in paragraph (f) of subsection 2 of section*  
16 *20 of this act.*

17       **Sec. 18.** *A structural inspection performed pursuant to*  
18 *sections 16 to 22, inclusive, of this act may be performed in*  
19 *conjunction with any other required inspection.*

20       **Sec. 19.** *Before undertaking a subsequent structural*  
21 *inspection of the building components of the primary load-bearing*  
22 *system of a covered building pursuant to subsection 2 of section 17*  
23 *of this act, a structural inspector shall review the written report*  
24 *from the most recent structural inspection of the covered building.*

25       **Sec. 20.** 1. *After a structural inspector has performed a*  
26 *structural inspection of the building components of the primary*  
27 *load-bearing system of a covered building pursuant to sections 16*  
28 *to 22, inclusive, of this act, the structural inspector shall issue a*  
29 *written report describing the condition of the primary load-bearing*  
30 *system.*

31       2. *A written report issued pursuant to subsection 1 must:*

32       (a) *Be prepared in accordance with the most recent edition of*  
33 *Guideline for Structural Condition Assessment of Existing*  
34 *Buildings, published by the American Society of Civil Engineers*  
35 *or its successor organization, or a similar protocol established by*  
36 *another nationally recognized structural engineering*  
37 *organization;*

38       (b) *If the structural inspector finds that corrective repairs of*  
39 *the primary load-bearing system are required, specify with*  
40 *reasonable detail the required corrective repairs;*

41       (c) *Set forth with specificity any other required preventive*  
42 *maintenance or repairs needed by the primary load-bearing*  
43 *system;*

44       (d) *Provide any other information or guidance necessary to*  
45 *maintain or repair the structural integrity of the covered building;*



1 (e) Identify any additional inspections and testing that are  
2 recommended based upon the conditions visually observed, which  
3 must be performed not later than 1 year after the date of the  
4 report; and

5 (f) Specify when the next structural inspection of the primary  
6 load-bearing system must be performed, but in no event shall the  
7 next inspection occur later than the earlier of 60 days after the  
8 date on which damage to the primary load-bearing system is  
9 observed or:

10 (1) If 20 years or less has elapsed since a certificate of  
11 occupancy was issued for the covered building, 5 years after the  
12 date on which the most recent structural inspection for the covered  
13 building was performed; or

14 (2) If more than 20 years has elapsed since a certificate of  
15 occupancy was issued for the covered building, 3 years after the  
16 date on which the most recent structural inspection for the covered  
17 building was performed.

18 3. In addition to the requirements of subsection 2, a written  
19 report for a subsequent structural inspection must:

20 (a) Identify any new or progressive deterioration; and

21 (b) If the structural inspector finds that corrective repairs of  
22 the primary load-bearing system are required, specify with  
23 reasonable detail the required corrective repairs, including,  
24 without limitation, the corrective repairs required to address any  
25 new or progressive deterioration identified pursuant to paragraph  
26 (a).

27 4. A structural inspector who issues a written report pursuant  
28 to subsection 1 shall:

29 (a) Provide a copy of the report to the covered building owner;  
30 and

31 (b) File a copy of the report with:

32 (1) The building official for the jurisdiction in which the  
33 covered building is located;

34 (2) The enforcing agency for the jurisdiction in which the  
35 covered building is located; and

36 (3) The Division.

37 5. A written report issued pursuant to subsection 1 must be:

38 (a) Upon request of any resident of the covered building which  
39 is the subject of the written report, made available to that resident  
40 by:

41 (1) The covered building owner;

42 (2) The enforcing agency for the jurisdiction in which the  
43 covered building is located; and

44 (3) The Division; and

45 (b) Included within:



1 (1) *A public offering statement of a common-interest*  
2 *community prepared pursuant to NRS 116.4102; and*

3 (2) *A resale package furnished pursuant to NRS 116.4109.*

4 6. *A written report which identifies additional inspections and*  
5 *testing that are recommended based upon conditions visually*  
6 *observed as described in paragraph (e) of subsection 2 must be*  
7 *updated to address the necessary repairs or maintenance identified*  
8 *through any additional inspections and testing which are*  
9 *performed.*

10 **Sec. 21.** *A covered building owner who receives a written*  
11 *report of a structural inspection pursuant to section 20 of this act*  
12 *shall:*

13 1. *Undertake measures necessary to effectuate any corrective*  
14 *repairs specified in the written report, including, without*  
15 *limitation, engaging the services of:*

16 (a) *A person who holds a certificate of registration to practice*  
17 *architecture in this State pursuant to chapter 623 of NRS; or*

18 (b) *A structural engineer,*  
19 *↳ who is qualified in structural repairs to create plans or*  
20 *specifications to implement the corrective repairs.*

21 2. *Cause any plans or specifications created pursuant to*  
22 *subsection 1 to be filed with:*

23 (a) *The enforcing agency; and*

24 (b) *The Division.*

25 **Sec. 22.** *The Commission shall adopt regulations to carry out*  
26 *the purposes of sections 16 to 22, inclusive, of this act.*

27 **Sec. 23.** NRS 116.003 is hereby amended to read as follows:

28 116.003 As used in this chapter and in the declaration and  
29 bylaws of an association, the words and terms defined in NRS  
30 116.005 to 116.095, inclusive, *and sections 2 to 14, inclusive, of*  
31 *this act* have the meanings ascribed to them in those sections.

32 **Sec. 24.** NRS 116.1203 is hereby amended to read as follows:

33 116.1203 1. Except as otherwise provided in subsections 2  
34 and 3, if a planned community contains no more than 12 units and is  
35 not subject to any developmental rights, it is subject only to NRS  
36 116.1106 and 116.1107 unless the declaration provides that this  
37 entire chapter is applicable.

38 2. The provisions of NRS 116.12065 and the definitions set  
39 forth in NRS 116.005 to 116.095, inclusive, *and sections 2 to 14,*  
40 *inclusive, of this act,* to the extent that the definitions are necessary  
41 to construe any of those provisions, apply to a residential planned  
42 community containing more than 6 units.

43 3. Except for NRS 116.3104, 116.31043, 116.31046 and  
44 116.31138, the provisions of NRS 116.3101 to 116.350, inclusive,  
45 *and sections 15 to 22, inclusive, of this act* and the definitions set



1 forth in NRS 116.005 to 116.095, inclusive, *and sections 2 to 14,*  
2 *inclusive, of this act,* to the extent that such definitions are  
3 necessary in construing any of those provisions, apply to a  
4 residential planned community containing more than 6 units.

5 **Sec. 25.** NRS 116.31038 is hereby amended to read as  
6 follows:

7 116.31038 In addition to any applicable requirement set forth  
8 in NRS 116.310395, within 30 days after units' owners other than  
9 the declarant may elect a majority of the members of the executive  
10 board, the declarant shall deliver to the association all property of  
11 the units' owners and of the association held by or controlled by the  
12 declarant, including:

13 1. The original or a certified copy of the recorded declaration  
14 as amended, the articles of incorporation, articles of association,  
15 articles of organization, certificate of registration, certificate of  
16 limited partnership, certificate of trust or other documents of  
17 organization for the association, the bylaws, minute books and other  
18 books and records of the association and any rules or regulations  
19 which may have been adopted.

20 2. An accounting for money of the association and audited  
21 financial statements for each fiscal year and any ancillary period  
22 from the date of the last audit of the association to the date the  
23 period of the declarant's control ends. The financial statements must  
24 fairly and accurately report the association's financial position. The  
25 declarant shall pay the costs of the ancillary audit. The ancillary  
26 audit must be delivered within 210 days after the date the period of  
27 the declarant's control ends.

28 3. A complete study of the reserves of the association,  
29 conducted by a person who is registered as a reserve study specialist  
30 pursuant to chapter 116A of NRS. At the time the control of the  
31 declarant ends, the declarant shall:

32 (a) Except as otherwise provided in this paragraph, deliver to the  
33 association a reserve account that contains the declarant's share of  
34 the amounts then due, and control of the account. If the declaration  
35 was recorded before October 1, 1999, and, at the time the control of  
36 the declarant ends, the declarant has failed to pay his or her share of  
37 the amounts due, the executive board shall authorize the declarant to  
38 pay the deficiency in installments for a period of 3 years, unless the  
39 declarant and the executive board agree to a shorter period.

40 (b) Disclose, in writing, the amount by which the declarant has  
41 subsidized the association's dues on a per unit or per lot basis.

42 4. The association's money or control thereof.

43 5. All of the declarant's tangible personal property that has  
44 been represented by the declarant as property of the association or,  
45 unless the declarant has disclosed in the public offering statement



1 that all such personal property used in the common-interest  
2 community will remain the declarant's property, all of the  
3 declarant's tangible personal property that is necessary for, and has  
4 been used exclusively in, the operation and enjoyment of the  
5 common elements, and inventories of these properties.

6 6. A copy of any plans and specifications used in the  
7 construction of the improvements *to common elements* in the  
8 common-interest community . ~~{which were completed within 2~~  
9 ~~years before the declaration was recorded.}~~

10 7. All insurance policies then in force, in which the units'  
11 owners, the association, or its directors and officers are named as  
12 insured persons.

13 8. Copies of any certificates of occupancy that may have been  
14 issued with respect to any improvements comprising the common-  
15 interest community other than units in a planned community.

16 9. Any renewable permits and approvals issued by  
17 governmental bodies applicable to the common-interest community  
18 which are in force and any other permits and approvals so issued  
19 and applicable which are required by law to be kept on the premises  
20 of the community.

21 10. Written warranties of the contractor, subcontractors,  
22 suppliers and manufacturers that are still effective.

23 11. A roster of owners and mortgagees of units and their  
24 addresses and telephone numbers, if known, as shown on the  
25 declarant's records.

26 12. Contracts of employment in which the association is a  
27 contracting party.

28 13. Any contract for service in which the association is a  
29 contracting party or in which the association or the units' owners  
30 have any obligation to pay a fee to the persons performing the  
31 services.

32 *14. For any covered building, a manual of preventive*  
33 *maintenance to be performed over the life of the components of*  
34 *the common elements, including, without limitation, the primary*  
35 *load-bearing system. The manual must provide a schedule for the*  
36 *preventive maintenance, including, without limitation, a minimum*  
37 *schedule for periodic inspections of the primary load-bearing*  
38 *system. The declarant shall include in the study of the reserves of*  
39 *the association required by subsection 3, or the budget of the*  
40 *association, as appropriate, a statement of the amount of the funds*  
41 *necessary to perform the preventive maintenance in accordance*  
42 *with the schedule provided.*

43 **Sec. 26.** NRS 116.3115 is hereby amended to read as follows:

44 116.3115 1. Until the association makes an assessment for  
45 common expenses, the declarant shall pay all common expenses.



1 After an assessment has been made by the association, assessments  
2 must be made at least annually, based on a budget adopted at least  
3 annually by the association in accordance with the requirements set  
4 forth in NRS 116.31151. Unless the declaration imposes more  
5 stringent standards, the budget must include a budget for the daily  
6 operation of the association and a budget for the reserves required  
7 by paragraph (b) of subsection 2.

8 2. Except for assessments under subsections 4 to 7, inclusive,  
9 or as otherwise provided in this chapter:

10 (a) All common expenses, including the reserves, must be  
11 assessed against all the units in accordance with the allocations set  
12 forth in the declaration pursuant to subsections 1 and 2 of  
13 NRS 116.2107.

14 (b) The association shall establish adequate reserves, funded on  
15 a reasonable basis, for the repair, replacement and restoration of the  
16 major components of the common elements and any other portion of  
17 the common-interest community that the association is obligated to  
18 maintain, repair, replace or restore. The reserves may be used only  
19 for those purposes, including, without limitation, repairing,  
20 replacing and restoring roofs, roads and sidewalks ~~and~~ *and*  
21 *implementing corrective repairs*, and must not be used for daily  
22 maintenance. The association may comply with the provisions of  
23 this paragraph through a funding plan that is designed to allocate the  
24 costs for the repair, replacement and restoration of the major  
25 components of the common elements and any other portion of the  
26 common-interest community that the association is obligated to  
27 maintain, repair, replace or restore over a period of years if the  
28 funding plan is designed in an actuarially sound manner which will  
29 ensure that sufficient money is available when the repair,  
30 replacement and restoration of the major components of the  
31 common elements or any other portion of the common-interest  
32 community that the association is obligated to maintain, repair,  
33 replace or restore are necessary. Notwithstanding any provision of  
34 the governing documents to the contrary, to establish adequate  
35 reserves pursuant to this paragraph, including, without limitation, to  
36 establish or carry out a funding plan, the executive board may,  
37 without seeking or obtaining the approval of the units' owners,  
38 impose any necessary and reasonable assessments against the units  
39 in the common-interest community. Any such assessments imposed  
40 by the executive board must be based on the study of the reserves of  
41 the association conducted pursuant to NRS 116.31152 ~~and~~ *and any*  
42 *written report of a structural inspector issued pursuant to section*  
43 *20 of this act.*

44 3. Any assessment for common expenses or installment thereof  
45 that is 60 days or more past due bears interest at a rate equal to the



1 prime rate at the largest bank in Nevada as ascertained by the  
2 Commissioner of Financial Institutions on January 1 or July 1, as  
3 the case may be, immediately preceding the date the assessment  
4 becomes past due, plus 2 percent. The rate must be adjusted  
5 accordingly on each January 1 and July 1 thereafter until the balance  
6 is satisfied.

7 4. Except as otherwise provided in the governing documents:

8 (a) Any common expense associated with the maintenance,  
9 repair, restoration or replacement of a limited common element  
10 must be assessed against the units to which that limited common  
11 element is assigned, equally, or in any other proportion the  
12 declaration provides;

13 (b) Any common expense benefiting fewer than all of the units  
14 or their owners, including, without limitation, common expenses  
15 consisting of the payment, on behalf of a unit's owner, of delinquent  
16 property taxes or utility charges owed by the unit's owner, may be  
17 assessed exclusively against the units or units' owners benefited;  
18 and

19 (c) The costs of insurance must be assessed in proportion to risk  
20 and the costs of utilities must be assessed in proportion to usage.

21 5. Assessments to pay a judgment against the association may  
22 be made only against the units in the common-interest community at  
23 the time the judgment was entered, in proportion to their liabilities  
24 for common expenses.

25 6. If damage to a unit or other part of the common-interest  
26 community, or if any other common expense is caused by the willful  
27 misconduct or gross negligence of any unit's owner, tenant or  
28 invitee of a unit's owner or tenant, the association may assess that  
29 expense exclusively against his or her unit, even if the association  
30 maintains insurance with respect to that damage or common  
31 expense, unless the damage or other common expense is caused by a  
32 vehicle and is committed by a person who is delivering goods to, or  
33 performing services for, the unit's owner, tenant or invitee of the  
34 unit's owner or tenant.

35 7. The association of a common-interest community created  
36 before January 1, 1992, is not required to make an assessment  
37 against a vacant lot located within the community that is owned by  
38 the declarant.

39 8. If liabilities for common expenses are reallocated,  
40 assessments for common expenses and any installment thereof not  
41 yet due must be recalculated in accordance with the reallocated  
42 liabilities.

43 9. The association shall provide written notice to each unit's  
44 owner of a meeting at which an assessment for a capital



1 improvement is to be considered or action is to be taken on such an  
2 assessment at least 21 calendar days before the date of the meeting.

3 **Sec. 27.** NRS 116.31152 is hereby amended to read as  
4 follows:

5 116.31152 1. The executive board shall:

6 (a) At least once every 5 years, cause to be conducted a study of  
7 the reserves required to repair, replace and restore the major  
8 components of the common elements and any other portion of the  
9 common-interest community that the association is obligated to  
10 maintain, repair, replace or restore;

11 (b) At least annually, review the results of that study to  
12 determine whether those reserves are sufficient; and

13 (c) At least annually, make any adjustments to the association's  
14 funding plan which the executive board deems necessary to provide  
15 adequate funding for the required reserves.

16 2. Except as otherwise provided in this subsection, the study of  
17 the reserves required by subsection 1 must be conducted by a person  
18 who holds a permit issued pursuant to chapter 116A of NRS. If the  
19 common-interest community contains 20 or fewer units and is  
20 located in a county whose population is less than 55,000, the study  
21 of the reserves required by subsection 1 may be conducted by any  
22 person whom the executive board deems qualified to conduct the  
23 study.

24 3. The study of the reserves must include, without limitation:

25 (a) A summary of an inspection of the major components of the  
26 common elements and any other portion of the common-interest  
27 community that the association is obligated to maintain, repair,  
28 replace or restore;

29 (b) An identification of the major components of the common  
30 elements and any other portion of the common-interest community  
31 that the association is obligated to maintain, repair, replace or  
32 restore which have a remaining useful life of less than 30 years;

33 (c) An estimate of the remaining useful life of each major  
34 component of the common elements and any other portion of the  
35 common-interest community that the association is obligated to  
36 maintain, repair, replace or restore identified pursuant to paragraph  
37 (b);

38 (d) An estimate of the cost of maintenance, repair, replacement  
39 or restoration of each major component of the common elements  
40 and any other portion of the common-interest community identified  
41 pursuant to paragraph (b) during and at the end of its useful life;

42 ~~and~~

43 (e) *An estimate of the costs associated with implementing any*  
44 *corrective repairs deemed necessary pursuant to a written report*





1 *of a structural inspector issued pursuant to section 20 of this act;*  
2 *and*

3 (f) An estimate of the total annual assessment that may be  
4 necessary to cover the cost of maintaining, repairing, replacement or  
5 restoration of the major components of the common elements and  
6 any other portion of the common-interest community identified  
7 pursuant to paragraph (b), *including, without limitation, the*  
8 *estimate of the costs described in paragraph (e)*, after subtracting  
9 the reserves of the association as of the date of the study, and an  
10 estimate of the funding plan that may be necessary to provide  
11 adequate funding for the required reserves.

12 4. A summary of the study of the reserves required by  
13 subsection 1 must be submitted to the Division not later than 45  
14 days after the date that the executive board adopts the results of the  
15 study.

16 5. If a common-interest community was developed as part of a  
17 planned unit development pursuant to chapter 278A of NRS and is  
18 subject to an agreement with a city or county to receive credit  
19 against the amount of the residential construction tax that is imposed  
20 pursuant to NRS 278.4983 and 278.4985, the association that is  
21 organized for the common-interest community may use the money  
22 from that credit for the repair, replacement or restoration of park  
23 facilities and related improvements if:

24 (a) The park facilities and related improvements are identified as  
25 major components of the common elements of the association; and

26 (b) The association is obligated to repair, replace or restore the  
27 park facilities and related improvements in accordance with the  
28 study of the reserves required by subsection 1.

29 **Sec. 28.** NRS 116.31175 is hereby amended to read as  
30 follows:

31 116.31175 1. Except as otherwise provided in subsection 4,  
32 the executive board of an association shall, upon the written request  
33 of a unit's owner, make available the books, records and other  
34 papers of the association for review at the business office of the  
35 association or a designated business location not to exceed 60 miles  
36 from the physical location of the common-interest community and  
37 during the regular working hours of the association, including,  
38 without limitation:

39 (a) The financial statement of the association;

40 (b) The budgets of the association required to be prepared  
41 pursuant to NRS 116.31151;

42 (c) The study of the reserves of the association required to be  
43 conducted pursuant to NRS 116.31152; and



1 (d) All contracts to which the association is a party and all  
2 records filed with a court relating to a civil or criminal action to  
3 which the association is a party.

4 2. The executive board shall provide a copy of any of the  
5 records described in paragraphs (a), (b) and (c) of subsection 1 to a  
6 unit's owner or the Ombudsman within 21 days after receiving a  
7 written request therefor. Such records must be provided in electronic  
8 format ~~at no charge to the unit's owner~~ or, if the association is  
9 unable to provide the records in electronic format, ~~the~~ *in paper*  
10 *format. The* executive board may charge a fee to cover the actual  
11 costs of preparing a copy, but the fee may not exceed 25 cents per  
12 page for the first 10 pages, and 10 cents per page thereafter.

13 3. If the executive board fails to provide a copy of any of the  
14 records pursuant to subsection 2 within 21 days, the executive board  
15 must pay a penalty of \$25 for each day the executive board fails to  
16 provide the records.

17 4. The provisions of subsection 1 do not apply to:

18 (a) The personnel records of the employees of the association,  
19 ~~except for those records~~ *including, without limitation,*  
20 *information* relating to ~~the number of hours worked and~~ the  
21 salaries and benefits of ~~those~~ *the* employees ~~;~~ *and any other*  
22 *information concerning the employees;*

23 (b) The records of the association relating to another unit's  
24 owner, including, without limitation, any architectural plan or  
25 specification submitted by a unit's owner to the association during  
26 an approval process required by the governing documents, except  
27 for those records described in subsection 5; and

28 (c) Any document, including, without limitation, minutes of an  
29 executive board meeting, a reserve study and a budget, if the  
30 document:

31 (1) Is in the process of being developed for final  
32 consideration by the executive board; and

33 (2) Has not been placed on an agenda for final approval by  
34 the executive board.

35 5. The executive board of an association shall maintain a  
36 general record concerning each violation of the governing  
37 documents, other than a violation involving a failure to pay an  
38 assessment, for which the executive board has imposed a fine, a  
39 construction penalty or any other sanction. The general record:

40 (a) Must contain a general description of the nature of the  
41 violation and the type of the sanction imposed. If the sanction  
42 imposed was a fine or construction penalty, the general record must  
43 specify the amount of the fine or construction penalty.

44 (b) Must not contain the name or address of the person against  
45 whom the sanction was imposed or any other personal information



1 which may be used to identify the person or the location of the unit,  
2 if any, that is associated with the violation.

3 (c) Must be maintained in an organized and convenient filing  
4 system or data system that allows a unit's owner to search and  
5 review the general records concerning violations of the governing  
6 documents.

7 6. If the executive board refuses to allow a unit's owner to  
8 review the books, records or other papers of the association, the  
9 Ombudsman may:

10 (a) On behalf of the unit's owner and upon written request,  
11 review the books, records or other papers of the association during  
12 the regular working hours of the association; and

13 (b) If the Ombudsman is denied access to the books, records or  
14 other papers, request the Commission, or any member thereof acting  
15 on behalf of the Commission, to issue a subpoena for their  
16 production.

17 7. The books, records and other papers of an association must  
18 be maintained for at least 10 years. The provisions of this subsection  
19 do not apply to:

20 (a) The minutes of a meeting of the units' owners which must be  
21 maintained in accordance with NRS 116.3108; or

22 (b) The minutes of a meeting of the executive board which must  
23 be maintained in accordance with NRS 116.31083.

24 8. The executive board ~~{shall not}~~ *may* require a unit's owner  
25 to pay ~~{an amount in excess of \$25 per hour}~~ *the actual costs*  
26 *incurred by the association for the unit's owner* to review any  
27 books, records, contracts or other papers of the association pursuant  
28 to the provisions of subsection 1.

29 9. *As used in this section, "actual costs" include, without*  
30 *limitation:*

31 (a) *The cost of gathering, preparing, copying or providing*  
32 *records, regardless of format;*

33 (b) *The cost of retrieving records from storage; and*

34 (c) *Any other related cost incurred by the association in*  
35 *allowing a unit's owner to review any books, records, contracts or*  
36 *other papers of the association.*

37 **Sec. 29.** NRS 116.31183 is hereby amended to read as  
38 follows:

39 116.31183 1. An executive board, a member of an executive  
40 board, a community manager or an officer, employee or agent of an  
41 association shall not take, or direct or encourage another person to  
42 take, any retaliatory action against a unit's owner because the unit's  
43 owner has:



1 (a) Complained in good faith about any alleged violation of any  
2 provision of this chapter or the governing documents of the  
3 association;

4 (b) Recommended the selection or replacement of an attorney,  
5 community manager or vendor; or

6 (c) Requested in good faith to review the books, records or other  
7 papers of the association.

8 2. *A unit's owner, tenant of a unit's owner or guest or invitee*  
9 *of a unit's owner or tenant of a unit's owner shall not take, or*  
10 *direct or encourage another person to take, any retaliatory action*  
11 *against an executive board, a member of an executive board, a*  
12 *community manager or an officer, employee or agent of an*  
13 *association because the executive board, community manager or*  
14 *officer, employee or agent of an association has:*

15 (a) *Provided in good faith a unit's owner or tenant with notice*  
16 *of the applicable provisions of law or governing documents of the*  
17 *association that form the basis of an alleged violation;*

18 (b) *Failed in good faith to respond to a request or demand*  
19 *within the prescribed period pursuant to the provisions of this*  
20 *chapter or the governing documents of the association; or*

21 (c) *Refused in good faith to provide confidential information*  
22 *of the association upon request or to otherwise engage in an*  
23 *unlawful activity.*

24 3. In addition to any other remedy provided by law, upon a  
25 violation of this section, a unit's owner, *an executive board, a*  
26 *member of an executive board, a community manager or an*  
27 *officer, employee or agent of an association* may bring a separate  
28 action to recover:

29 (a) Compensatory damages; and

30 (b) Attorney's fees and costs of bringing the separate action.

31 4. *As used in this section:*

32 (a) *"Retaliatory action" includes, without limitation, making*  
33 *defamatory statements on social media or another similar online*  
34 *platform.*

35 (b) *"Social media" has the meaning ascribed to it in*  
36 *NRS 232.003.*

37 **Sec. 30.** NRS 116.31184 is hereby amended to read as  
38 follows:

39 116.31184 1. A community manager, an agent or employee  
40 of the community manager, a member of the executive board, an  
41 officer, employee or agent of an association, a unit's owner or a  
42 guest or tenant of a unit's owner shall not willfully and without legal  
43 authority threaten, harass or otherwise engage in *bullying, cyber-*  
44 *bullying or* a course of conduct against any other person who is the  
45 community manager of his or her common-interest community or an



1 agent or employee of that community manager, a member of the  
2 executive board of his or her association, an officer, employee or  
3 agent of his or her association, another unit's owner in his or her  
4 common-interest community or a guest or tenant of a unit's owner  
5 in his or her common-interest community which:

6 (a) Causes harm or serious emotional distress, or the reasonable  
7 apprehension thereof, to that person; or

8 (b) Creates a hostile environment for that person.

9 2. A person who violates the provisions of subsection 1 is  
10 guilty of a misdemeanor.

11 **Sec. 31.** NRS 116.4103 is hereby amended to read as follows:

12 116.4103 1. Except as otherwise provided in NRS  
13 116.41035, a public offering statement must set forth or fully and  
14 accurately disclose each of the following:

15 (a) The name and principal address of the declarant and of the  
16 common-interest community, and a statement that the common-  
17 interest community is a condominium, cooperative or planned  
18 community.

19 (b) A general description of the common-interest community,  
20 including to the extent possible, the types, number and declarant's  
21 schedule of commencement and completion of construction of  
22 buildings, and amenities that the declarant anticipates including in  
23 the common-interest community.

24 (c) The estimated number of units in the common-interest  
25 community.

26 (d) Copies of the declaration, bylaws, and any rules or  
27 regulations of the association, but a plat is not required.

28 (e) The financial information required by subsection 2.

29 (f) A description of any services or subsidies being provided by  
30 the declarant or an affiliate of the declarant, not reflected in the  
31 budget that the declarant provides, or expenses which the declarant  
32 pays and which the declarant expects may become at any  
33 subsequent time a common expense of the association and the  
34 projected common expense assessment attributable to each of those  
35 services or expenses for the association and for each type of unit.

36 (g) Any initial or special fee due from the purchaser or seller at  
37 closing, including, without limitation, any transfer fees, whether  
38 payable to the association, the community manager of the  
39 association or any third party, together with a description of the  
40 purpose and method of calculating the fee.

41 (h) The terms and significant limitations of any warranties  
42 provided by the declarant, including statutory warranties and  
43 limitations on the enforcement thereof or on damages.

44 (i) A statement that unless the purchaser or his or her agent has  
45 personally inspected the unit, the purchaser may cancel, by written



1 notice, his or her contract for purchase until midnight of the fifth  
2 calendar day following the date of execution of the contract, and the  
3 contract must contain a provision to that effect.

4 (j) A statement of any unsatisfied judgment or pending action  
5 against the association, and the status of any pending action material  
6 to the common-interest community of which a declarant has actual  
7 knowledge.

8 (k) Any current or expected fees or charges to be paid by units'  
9 owners for the use of the common elements and other facilities  
10 related to the common-interest community.

11 (l) In addition to any other document, a statement describing all  
12 current and expected fees or charges for each unit, including,  
13 without limitation, association fees, fines, assessments, late charges  
14 or penalties, interest rates on delinquent assessments, additional  
15 costs for collecting past due fines and charges for opening or closing  
16 any file for each unit.

17 (m) Any restraints on alienation of any portion of the common-  
18 interest community and any restrictions:

19 (1) On the leasing or renting of units; and

20 (2) On the amount for which a unit may be sold or on the  
21 amount that may be received by a unit's owner on the sale or  
22 condemnation of or casualty loss to the unit or to the common-  
23 interest community, or on termination of the common-interest  
24 community.

25 (n) A description of any arrangement described in NRS  
26 116.1209 binding the association.

27 (o) The information statement set forth in NRS 116.41095.

28 (p) *A copy of every written report from structural inspections*  
29 *of the building components forming the primary load-bearing*  
30 *systems of covered buildings located in the common-interest*  
31 *community, if any, performed pursuant to sections 16 to 22,*  
32 *inclusive, of this act.*

33 2. The public offering statement must contain any current  
34 balance sheet and a projected budget for the association, either  
35 within or as an exhibit to the public offering statement, for 1 year  
36 after the date of the first conveyance to a purchaser, and thereafter  
37 the current budget of the association, a statement of who prepared  
38 the budget and a statement of the budget's assumptions concerning  
39 occupancy and inflation factors. The budget must include:

40 (a) A statement of the amount included in the budget as a  
41 reserve for repairs, replacement and restoration pursuant to  
42 NRS 116.3115;

43 (b) A statement of any other reserves;

44 (c) The projected common expense assessment by category of  
45 expenditures for the association; and



1 (d) The projected monthly common expense assessment for each  
2 type of unit, including the amount established as reserves pursuant  
3 to NRS 116.3115.

4 3. A declarant is not required to revise a public offering  
5 statement more than once each calendar quarter, if the following  
6 warning is given prominence in the statement: "THIS PUBLIC  
7 OFFERING STATEMENT IS CURRENT AS OF (insert a  
8 specified date). RECENT DEVELOPMENTS REGARDING (here  
9 refer to particular provisions of NRS 116.4103 and 116.4105) MAY  
10 NOT BE REFLECTED IN THIS STATEMENT."

11 **Sec. 32.** NRS 116.4109 is hereby amended to read as follows:

12 116.4109 1. Except in the case of a sale in which delivery of  
13 a public offering statement is required, or unless exempt under  
14 subsection 2 of NRS 116.4101, a unit's owner or his or her  
15 authorized agent shall, at the expense of the unit's owner, furnish to  
16 a purchaser a resale package containing all of the following:

17 (a) A copy of the declaration, other than any plats, the bylaws,  
18 the rules or regulations of the association and the information  
19 statement required by NRS 116.41095.

20 (b) A statement from the association setting forth the amount of  
21 the monthly assessment for common expenses and any unpaid  
22 obligation of any kind, including, without limitation, management  
23 fees, transfer fees, fines, penalties, interest, collection costs,  
24 foreclosure fees and attorney's fees currently due from the selling  
25 unit's owner.

26 (c) A copy of the current operating budget of the association and  
27 current year-to-date financial statement for the association, which  
28 must include a summary of the reserves of the association required  
29 by NRS 116.31152 and which must include, without limitation, a  
30 summary of the information described in paragraphs (a) to ~~(e);~~ (f),  
31 inclusive, of subsection 3 of NRS 116.31152.

32 (d) A statement of any unsatisfied judgments or pending legal  
33 actions against the association and the status of any pending legal  
34 actions relating to the common-interest community of which the  
35 unit's owner has actual knowledge.

36 (e) A statement of any transfer fees, transaction fees or any other  
37 fees associated with the resale of a unit.

38 (f) In addition to any other document, a statement describing all  
39 current and expected fees or charges for each unit, including,  
40 without limitation, association fees, fines, assessments, late charges  
41 or penalties, interest rates on delinquent assessments, additional  
42 costs for collecting past due fines and charges for opening or closing  
43 any file for each unit.

44 (g) *A copy of every written report from structural inspections*  
45 *of the building components forming the primary load-bearing*



1 *systems of covered buildings located in the common-interest*  
2 *community, if any, performed pursuant to sections 16 to 22,*  
3 *inclusive, of this act.*

4 2. The purchaser may, by written notice, cancel the contract of  
5 purchase until midnight of the fifth calendar day following the date  
6 of receipt of the resale package described in subsection 1, and the  
7 contract for purchase must contain a provision to that effect. If the  
8 purchaser elects to cancel a contract pursuant to this subsection,  
9 the purchaser must hand deliver the notice of cancellation to the  
10 unit's owner or his or her authorized agent, mail the notice of  
11 cancellation by prepaid United States mail to the unit's owner or his  
12 or her authorized agent or deliver the notice of cancellation by  
13 electronic transmission to the unit's owner or his or her authorized  
14 agent. Cancellation is without penalty, and all payments made by  
15 the purchaser before cancellation must be refunded promptly. If the  
16 purchaser has accepted a conveyance of the unit, the purchaser is  
17 not entitled to:

18 (a) Cancel the contract pursuant to this subsection; or

19 (b) Damages, rescission or other relief based solely on the  
20 ground that the unit's owner or his or her authorized agent failed to  
21 furnish the resale package, or any portion thereof, as required by this  
22 section.

23 3. Within 10 calendar days after receipt of a written request by  
24 a unit's owner or his or her authorized agent, the association shall  
25 furnish all of the following to the unit's owner or his or her  
26 authorized agent for inclusion in the resale package:

27 (a) Copies of the documents required pursuant to paragraphs (a)  
28 , ~~(b)~~ (c) and (g) of subsection 1; and

29 (b) A certificate containing the information necessary to enable  
30 the unit's owner to comply with paragraphs (b), (d), (e) and (f) of  
31 subsection 1.

32 4. If the association furnishes the documents and certificate  
33 pursuant to subsection 3:

34 (a) The unit's owner or his or her authorized agent shall include  
35 the documents and certificate in the resale package provided to the  
36 purchaser, and neither the unit's owner nor his or her authorized  
37 agent is liable to the purchaser for any erroneous information  
38 provided by the association and included in the documents and  
39 certificate.

40 (b) The association may charge the unit's owner a reasonable  
41 fee to cover the cost of preparing the certificate furnished pursuant  
42 to subsection 3. Such a fee must be based on the actual cost the  
43 association incurs to fulfill the requirements of this section in  
44 preparing the certificate and must not exceed \$185, except that if a  
45 unit's owner or an authorized agent thereof requests that the





1 certificate be furnished sooner than 3 business days after the date of  
2 the request, the association may charge a fee, which must not exceed  
3 \$100, to expedite the preparation of the certificate. The amount of  
4 the fee may increase, on an annual basis, by a percentage equal to  
5 the percentage of increase in the Consumer Price Index (All Items)  
6 published by the United States Department of Labor for the  
7 preceding calendar year, but must not increase by more than 3  
8 percent each year.

9 (c) The other documents furnished pursuant to subsection 3  
10 must be provided in electronic format to the unit's owner. If the  
11 association is unable to provide such documents in electronic  
12 format, the association may charge the unit's owner a reasonable  
13 fee, not to exceed 25 cents per page for the first 10 pages, and 10  
14 cents per page thereafter, to cover the cost of copying.

15 (d) Except for the fees allowed pursuant to paragraphs (b) and  
16 (c), the association may not charge the unit's owner any other fees  
17 for preparing or furnishing the documents and certificate pursuant to  
18 subsection 3.

19 5. Neither a purchaser nor the purchaser's interest in a unit is  
20 liable for any unpaid assessment or fee greater than the amount set  
21 forth in the documents and certificate prepared by the association. If  
22 the association fails to furnish the documents and certificate within  
23 the 10 calendar days allowed by this section, the purchaser is not  
24 liable for the delinquent assessment. A resale package provided to a  
25 unit's owner or his or her authorized agent pursuant to this section  
26 remains effective for 90 calendar days.

27 6. Upon the request of a unit's owner or his or her authorized  
28 agent, or upon the request of a purchaser to whom the unit's owner  
29 has provided a resale package pursuant to this section or his or her  
30 authorized agent, the association shall make the entire study of the  
31 reserves of the association which is required by NRS 116.31152  
32 reasonably available for the unit's owner, purchaser or authorized  
33 agent to inspect, examine, photocopy and audit. The study must be  
34 made available at the business office of the association or some  
35 other suitable location within the county where the common-interest  
36 community is situated or, if it is situated in more than one county,  
37 within one of those counties.

38 7. A unit's owner, the authorized agent of the unit's owner or  
39 the holder of a security interest on the unit may request a statement  
40 of demand from the association. Not later than 10 calendar days  
41 after receipt of a written request from the unit's owner, the  
42 authorized agent of the unit's owner or the holder of a security  
43 interest on the unit for a statement of demand, the association shall  
44 furnish a statement of demand to the person who requested the  
45 statement and provide a copy of the statement to any other interested



1 party. The association may charge a fee of not more than \$165 to  
2 prepare and furnish a statement of demand pursuant to this  
3 subsection and an additional fee of not more than \$100 to furnish a  
4 statement of demand within 3 business days after receipt of a written  
5 request for a statement of demand. The amount of the fees for  
6 preparing and furnishing a statement of demand and the additional  
7 fee for furnishing a statement of demand within 3 business days may  
8 increase, on an annual basis, by a percentage equal to the percentage  
9 of increase in the Consumer Price Index (All Items) published by  
10 the United States Department of Labor for the preceding calendar  
11 year, but must not increase by more than 3 percent each year. The  
12 statement of demand:

13 (a) Must set forth the amount of the monthly assessment for  
14 common expenses and any unpaid obligation of any kind, including,  
15 without limitation, management fees, transfer fees, fines, penalties,  
16 interest, collection costs, foreclosure fees and attorney's fees  
17 currently due from the selling unit's owner; and

18 (b) Remains effective for the period specified in the statement of  
19 demand, which must not be less than 15 business days after the date  
20 of delivery by the association to the unit's owner, the authorized  
21 agent of the unit's owner or the holder of a security interest on the  
22 unit, whichever is applicable.

23 ↪ As used in this subsection, "interested party" includes the unit's  
24 owner selling the unit and the prospective purchaser of the unit.

25 8. In preparing, copying, furnishing or expediting or otherwise  
26 providing any document or other item pursuant to this section, an  
27 association, or entity related to or acting on behalf of an association,  
28 shall not charge a unit's owner, the authorized agent of a unit's  
29 owner, a purchaser or, pursuant to subsection 7, the holder of a  
30 security interest on a unit, any fee:

31 (a) Not authorized in this section; or

32 (b) In an amount which exceeds any limit set forth in this  
33 section.

34 9. If the association becomes aware of an error in a statement  
35 of demand furnished pursuant to subsection 7 during the period in  
36 which the statement of demand is effective but before the  
37 consummation of a resale for which a resale package was furnished  
38 pursuant to subsection 1, the association must deliver a replacement  
39 statement of demand to the person who requested the statement of  
40 demand. Unless the person who requested the statement of demand  
41 receives a replacement statement of demand, the person may rely  
42 upon the accuracy of the information set forth in the statement of  
43 demand provided by the association for the resale. Payment of the  
44 amount set forth in the statement of demand constitutes full payment  
45 of the amount due from the selling unit's owner.



1     **Sec. 33.** NRS 116.4117 is hereby amended to read as follows:  
2     116.4117 1. Subject to the requirements set forth in  
3 subsection 2, if a declarant, community manager or any other person  
4 subject to this chapter fails to comply with any of its provisions or  
5 any provision of the declaration or bylaws, any person or class of  
6 persons suffering actual damages from the failure to comply may  
7 bring a civil action for damages or other appropriate relief.  
8     2. Subject to the requirements set forth in NRS 38.310 and  
9 except as otherwise provided in NRS 116.3111, a civil action for  
10 damages or other appropriate relief for a failure or refusal to comply  
11 with any provision of this chapter or the governing documents of an  
12 association may be brought:  
13     (a) By the association against:  
14         (1) A declarant;  
15         (2) A community manager; or  
16         (3) A unit's owner.  
17     (b) By a unit's owner against:  
18         (1) The association;  
19         (2) A declarant; or  
20         (3) Another unit's owner of the association.  
21     (c) By a class of units' owners constituting at least 10 percent of  
22 the total number of voting members of the association against a  
23 community manager.  
24     3. Members of the executive board are not personally liable to  
25 the victims of crimes occurring on the property.  
26     4. Except as otherwise provided in subsection 5, punitive  
27 damages may be awarded for a willful and material failure to  
28 comply with any provision of this chapter if the failure is established  
29 by clear and convincing evidence.  
30     5. Punitive damages may not be awarded against:  
31     (a) The association;  
32     (b) The members of the executive board for acts or omissions  
33 that occur in their official capacity as members of the executive  
34 board; or  
35     (c) The officers of the association for acts or omissions that  
36 occur in their capacity as officers of the association.  
37     6. The court may award reasonable attorney's fees to the  
38 prevailing party.  
39     7. The civil remedy provided by this section is in addition to,  
40 and not exclusive of, any other available remedy or penalty.  
41     8. The provisions of this section do not prohibit the  
42 Commission from taking any disciplinary action against a member  
43 of an executive board pursuant to NRS ~~116.745~~ **116.750** to  
44 116.795, inclusive.



1       **Sec. 34.** NRS 116.625 is hereby amended to read as follows:

2       116.625 1. The Office of the Ombudsman for Owners in  
3 Common-Interest Communities and Condominium Hotels is hereby  
4 created within the Division.

5       2. The Administrator shall appoint the Ombudsman. The  
6 Ombudsman is in the unclassified service of the State.

7       3. The Ombudsman must be qualified by training and  
8 experience to perform the duties and functions of office.

9       4. In addition to any other duties set forth in this chapter, the  
10 Ombudsman shall:

11       (a) Assist in processing claims submitted to mediation or  
12 arbitration ~~for referred to a program~~ pursuant to NRS 38.300 to  
13 38.360, inclusive;

14       (b) Assist owners in common-interest communities and  
15 condominium hotels to understand their rights and responsibilities  
16 as set forth in this chapter and chapter 116B of NRS and the  
17 governing documents of their associations, including, without  
18 limitation, publishing materials related to those rights and  
19 responsibilities;

20       (c) Assist members of executive boards and officers of  
21 associations to carry out their duties;

22       (d) When appropriate, investigate disputes involving the  
23 provisions of this chapter or chapter 116B of NRS or the governing  
24 documents of an association and assist in resolving such disputes;  
25 and

26       (e) Compile and maintain a registration of each association  
27 organized within the State which includes, without limitation, the  
28 following information:

29       (1) The name, address and telephone number of the  
30 association;

31       (2) The name of each community manager for the common-  
32 interest community or the association of a condominium hotel and  
33 the name of any other person who is authorized to manage the  
34 property at the site of the common-interest community or  
35 condominium hotel;

36       (3) The names, mailing addresses and telephone numbers of  
37 the members of the executive board of the association;

38       (4) The name of the declarant;

39       (5) The number of units in the common-interest community  
40 or condominium hotel;

41       (6) The total annual assessment made by the association;

42       (7) The number of foreclosures which were completed on  
43 units within the common-interest community or condominium hotel  
44 and which were based on liens for the failure of the unit's owner to



1 pay any assessments levied against the unit or any fines imposed  
2 against the unit's owner; and

3 (8) Whether the study of the reserves of the association has  
4 been conducted pursuant to NRS 116.31152 or 116B.605 and, if so,  
5 the date on which it was completed.

6 **Sec. 35.** NRS 116.630 is hereby amended to read as follows:

7 116.630 1. There is hereby created the Account for Common-  
8 Interest Communities and Condominium Hotels in the State General  
9 Fund. The Account must be administered by the Administrator.

10 2. Except as otherwise provided in subsection 3, all money  
11 received by the Commission, a hearing panel or the Division  
12 pursuant to this chapter or chapter 116B of NRS, including, without  
13 limitation, the fees collected pursuant to NRS 116.31155 and  
14 116B.620, must be deposited into the Account.

15 3. If the Commission imposes a fine or penalty, the  
16 Commission shall deposit the money collected from the imposition  
17 of the fine or penalty with the State Treasurer for credit to the State  
18 General Fund. If the money is so deposited, the Commission may  
19 present a claim to the State Board of Examiners for recommendation  
20 to the Interim Finance Committee if money is required to pay  
21 attorney's fees or the costs of an investigation, or both.

22 4. The interest and income earned on the money in the  
23 Account, after deducting any applicable charges, must be credited to  
24 the Account.

25 5. The money in the Account must be used solely to defray:

26 (a) The costs and expenses of the Commission and the Office of  
27 the Ombudsman;

28 (b) If authorized by the Commission or any regulations adopted  
29 by the Commission, the costs and expenses of subsidizing  
30 proceedings for mediation ~~{,}~~ and arbitration ~~{and a program}~~  
31 conducted pursuant to NRS 38.300 to 38.360, inclusive; and

32 (c) If authorized by the Legislature or by the Interim Finance  
33 Committee if the Legislature is not in session, the costs and  
34 expenses of administering the Division.

35 **Sec. 36.** NRS 116.665 is hereby amended to read as follows:

36 116.665 1. The Commission shall conduct such hearings and  
37 other proceedings as are required by the provisions of this chapter.

38 2. The Commission shall collect and maintain or cause to be  
39 collected and maintained accurate information relating to:

40 (a) The number and kind of common-interest communities in  
41 this State;

42 (b) The effect of the provisions of this chapter and any  
43 regulations adopted pursuant thereto on the development and  
44 construction of common-interest communities, the residential



1 lending market for units within common-interest communities and  
2 the operation and management of common-interest communities;

3 (c) Violations of the provisions of this chapter and any  
4 regulations adopted pursuant thereto;

5 (d) The accessibility and use of, and the costs related to, the  
6 arbitration ~~{}~~ and mediation ~~{and program}~~ procedures set forth in  
7 NRS 38.300 to 38.360, inclusive, and the decisions rendered and  
8 awards made pursuant to those procedures;

9 (e) The number of foreclosures which were completed on units  
10 within common-interest communities and which were based on liens  
11 for the failure of the unit's owner to pay any assessments levied  
12 against the unit or any fines imposed against the unit's owner;

13 (f) The study of the reserves required by NRS 116.31152; and

14 (g) Other issues that the Commission determines are of concern  
15 to units' owners, associations, community managers, developers and  
16 other persons affected by common-interest communities.

17 3. The Commission shall develop and promote:

18 (a) Educational guidelines for conducting the elections of the  
19 members of an executive board, the meetings of an executive board  
20 and the meetings of the units' owners of an association; and

21 (b) Educational guidelines for the enforcement of the governing  
22 documents of an association through liens, penalties and fines.

23 4. The Commission shall recommend and approve for  
24 accreditation programs of education and research relating to  
25 common-interest communities, including, without limitation:

26 (a) The management of common-interest communities;

27 (b) The sale and resale of units within common-interest  
28 communities;

29 (c) Alternative methods that may be used to resolve disputes  
30 relating to common-interest communities; and

31 (d) The enforcement, including by foreclosure, of liens on units  
32 within common-interest communities for the failure of the unit's  
33 owner to pay any assessments levied against the unit or any fines  
34 imposed against the unit's owner.

35 **Sec. 37.** NRS 116.670 is hereby amended to read as follows:

36 116.670 The Commission may:

37 1. By regulation, establish standards for subsidizing  
38 proceedings for mediation ~~{}~~ and arbitration ~~{and a program}~~  
39 conducted pursuant to NRS 38.300 to 38.360, inclusive, to ensure  
40 that such proceedings are not lengthy and are affordable and readily  
41 accessible to all parties;

42 2. By regulation, establish standards for subsidizing  
43 educational programs for the benefit of units' owners, members of  
44 executive boards and officers of associations;

45 3. Accept any gifts, grants or donations; and



1 4. Enter into agreements with other entities that are required or  
2 authorized to carry out similar duties in this State or in other  
3 jurisdictions and cooperate with such entities to develop uniform  
4 procedures for carrying out the provisions of this chapter and for  
5 accumulating information needed to carry out those provisions.

6 **Sec. 38.** NRS 116.750 is hereby amended to read as follows:

7 116.750 1. In carrying out the provisions of NRS ~~116.745~~  
8 **116.750** to 116.795, inclusive, the Division and the Ombudsman  
9 have jurisdiction to investigate and the Commission and each  
10 hearing panel has jurisdiction to take appropriate action against any  
11 person who commits a violation, including, without limitation:

12 (a) Any association and any officer, employee or agent of an  
13 association.

14 (b) Any member of an executive board.

15 (c) Any community manager who holds a certificate and any  
16 other community manager.

17 (d) Any person who is registered as a reserve study specialist, or  
18 who conducts a study of reserves, pursuant to chapter 116A of NRS.

19 (e) Any declarant or affiliate of a declarant.

20 (f) Any unit's owner.

21 (g) Any tenant of a unit's owner if the tenant has entered into an  
22 agreement with the unit's owner to abide by the governing  
23 documents of the association and the provisions of this chapter and  
24 any regulations adopted pursuant thereto.

25 2. The jurisdiction set forth in subsection 1 applies to any  
26 officer, employee or agent of an association or any member of an  
27 executive board who commits a violation and who:

28 (a) Currently holds his or her office, employment, agency or  
29 position or who held the office, employment, agency or position at  
30 the commencement of proceedings against him or her.

31 (b) Resigns his or her office, employment, agency or position:

32 (1) After the commencement of proceedings against him or  
33 her; or

34 (2) Within 1 year after the violation is discovered or  
35 reasonably should have been discovered.

36 **Sec. 39.** NRS 116.755 is hereby amended to read as follows:

37 116.755 1. The rights, remedies and penalties provided by  
38 NRS ~~116.745~~ **116.750** to 116.795, inclusive, are cumulative and  
39 do not abrogate and are in addition to any other rights, remedies and  
40 penalties that may exist at law or in equity.

41 2. If the Commission, a hearing panel or another agency or  
42 officer elects to take a particular action or pursue a particular  
43 remedy or penalty authorized by NRS ~~116.745~~ **116.750** to  
44 116.795, inclusive, or another specific statute, that election is not  
45 exclusive and does not preclude the Commission, the hearing panel



1 or another agency or officer from taking any other actions or  
2 pursuing any other remedies or penalties authorized by NRS  
3 ~~116.745~~ 116.750 to 116.795, inclusive, or another specific statute.

4 3. In carrying out the provisions of NRS ~~116.745~~ 116.750 to  
5 116.795, inclusive, the Commission or a hearing panel shall not  
6 intervene in any internal activities of an association except to the  
7 extent necessary to prevent or remedy a violation.

8 **Sec. 40.** NRS 116.757 is hereby amended to read as follows:

9 116.757 1. Except as otherwise provided in this section and  
10 NRS 239.0115, a written affidavit filed with the Division pursuant  
11 to NRS 116.760, all documents and other information filed with the  
12 written affidavit and all documents and other information compiled  
13 as a result of an investigation conducted to determine whether to file  
14 a formal complaint with the Commission are confidential. The  
15 Division shall not disclose any information that is confidential  
16 pursuant to this subsection, in whole or in part, to any person,  
17 including, without limitation, a person who is the subject of an  
18 investigation or complaint, unless and until a formal complaint is  
19 filed pursuant to subsection 2 and the disclosure is required pursuant  
20 to subsection 2.

21 2. A formal complaint filed by the Administrator with the  
22 Commission and all documents and other information considered by  
23 the Commission or a hearing panel when determining whether to  
24 impose discipline or take other administrative action pursuant to  
25 NRS ~~116.745~~ 116.750 to 116.795, inclusive, are public records.

26 **Sec. 41.** NRS 116.760 is hereby amended to read as follows:

27 116.760 1. Except as otherwise provided in this section, a  
28 person who is aggrieved by an alleged violation may, not later than  
29 1 year after the person discovers or reasonably should have  
30 discovered the alleged violation, file with the Division a written  
31 affidavit that sets forth the facts constituting the alleged violation.  
32 The affidavit may allege any actual damages suffered by the  
33 aggrieved person as a result of the alleged violation.

34 2. An aggrieved person may not file such an affidavit unless  
35 the aggrieved person has provided the respondent by certified mail,  
36 return receipt requested, with written notice of the alleged violation  
37 set forth in the affidavit. The notice must:

38 (a) Be mailed to the respondent's last known address.

39 (b) Specify, in reasonable detail, the alleged violation, any  
40 actual damages suffered by the aggrieved person as a result of the  
41 alleged violation, and any corrective action proposed by the  
42 aggrieved person.

43 3. A written affidavit filed with the Division pursuant to this  
44 section must be:

45 (a) On a form prescribed by the Division.





1 (b) Accompanied by evidence that:

2 (1) The respondent has been given a reasonable opportunity  
3 after receiving the written notice to correct the alleged violation; and

4 (2) Reasonable efforts to resolve the alleged violation have  
5 failed.

6 4. *If the Division determines that:*

7 (a) *The allegations in the affidavit are not vexatious,*  
8 *misleading, retaliatory, frivolous, false or fraudulent; and*

9 (b) *The alleged violation, if assumed to be true, would*  
10 *constitute a violation,*

11 *↪ the Division shall refer the affidavit to the Ombudsman.*

12 5. The Commission or a hearing panel may impose either or  
13 both of the following:

14 (a) An administrative fine of not more than \$10,000; or

15 (b) Sanctions disqualifying a person from serving as a member  
16 of the executive board for a period of not more than 10 years,

17 ↪ against any person who ~~knowingly~~ files a *vexatious,*  
18 *misleading, retaliatory, frivolous,* false or fraudulent affidavit with  
19 the Division.

20 ~~{5. The Commission or a hearing panel may designate a person~~  
21 ~~as a vexatious affiant if the Commission or a hearing panel has~~  
22 ~~imposed an administrative fine or sanctions against the person~~  
23 ~~pursuant to subsection 4 for knowingly filing a false or fraudulent~~  
24 ~~affidavit with the Division on two or more occasions. If the~~  
25 ~~Commission or a hearing panel has designated a person as a~~  
26 ~~vexatious affiant pursuant to this subsection, the Commission or~~  
27 ~~hearing panel shall transmit a copy of the order designating the~~  
28 ~~person as a vexatious affiant to the Division and the Division shall~~  
29 ~~not thereafter accept an affidavit filed by the person unless:~~

30 ~~—(a) The person first submits a copy of the affidavit to the~~  
31 ~~Ombudsman; and~~

32 ~~—(b) After reviewing the affidavit, the Ombudsman grants leave~~  
33 ~~for the person to file the affidavit with the Division.]~~

34 **Sec. 42.** NRS 116.765 is hereby amended to read as follows:

35 116.765 1. Upon receipt of an affidavit that complies with  
36 the provisions of NRS 116.760, the ~~Division shall refer the~~  
37 ~~affidavit to the Ombudsman.~~

38 ~~—2. The~~ Ombudsman shall give such guidance to the parties as  
39 the Ombudsman deems necessary to assist the parties to resolve the  
40 alleged violation.

41 ~~{3.}~~ 2. If the parties are unable to resolve the alleged violation  
42 with the assistance of the Ombudsman, the Ombudsman shall  
43 provide to the Division a report concerning the alleged violation and  
44 any information collected by the Ombudsman during his or her  
45 efforts to assist the parties to resolve the alleged violation.



1 ~~[4.]~~ 3. Upon receipt of the report from the Ombudsman, the  
2 Division shall conduct an investigation to determine whether good  
3 cause exists to proceed with a hearing on the alleged violation.

4 ~~[5.]~~ 4. If, after investigating the alleged violation, the Division  
5 ~~[determines]~~ *reasonably believes* that ~~[the]~~ :

6 (a) ~~The~~ allegations in the affidavit are ~~[not frivolous, false or~~  
7 ~~fraudulent and that good]~~ *supported by probable* cause ~~[exists to~~  
8 ~~proceed with a hearing on the alleged violation,]~~ ;

9 (b) *The admissible evidence is sufficient to support sanctions*  
10 *against the respondent by a preponderance of the evidence; and*

11 (c) *A decision to file a formal complaint with the Commission*  
12 *is in the best interests of justice and associations in this State,*

13 *↪* the Administrator shall file a formal complaint with the  
14 Commission and schedule a hearing on the complaint before the  
15 Commission or a hearing panel.

16 **Sec. 43.** NRS 116.785 is hereby amended to read as follows:

17 116.785 1. If the Commission or the hearing panel, after  
18 notice and hearing, finds that the respondent has committed a  
19 violation, the Commission or the hearing panel may take any or all  
20 of the following actions:

21 (a) Issue an order directing the respondent to cease and desist  
22 from continuing to engage in the unlawful conduct that resulted in  
23 the violation.

24 (b) Issue an order directing the respondent to take affirmative  
25 action to correct any conditions resulting from the violation.

26 (c) Impose an administrative fine of not more than \$1,000 for  
27 each violation.

28 2. If the respondent is a member of an executive board or an  
29 officer of an association, the Commission or the hearing panel may  
30 order the respondent removed from his or her office or position *and*  
31 *prohibited from serving on the executive board of an association*  
32 *for a period not to exceed 10 years* if the Commission or the  
33 hearing panel, after notice and hearing, finds that:

34 (a) The respondent has knowingly and willfully committed a  
35 violation; and

36 (b) The removal is in the best interest of the association.

37 3. If the respondent violates any order issued by the  
38 Commission or the hearing panel pursuant to this section, the  
39 Commission or the hearing panel, after notice and hearing, may  
40 impose an administrative fine of not more than \$1,000 for each  
41 violation.

42 4. If the Commission or the hearing panel takes any  
43 disciplinary action pursuant to this section, the Commission or the  
44 hearing panel may order the respondent to pay the costs of the  
45 proceedings incurred by the Division, including, without limitation,



1 the cost of the investigation and reasonable attorney's fees ~~H~~, *after*  
2 *providing due process to the respondent through an opportunity to*  
3 *review and dispute such costs.*

4 5. Notwithstanding any other provision of this section, unless  
5 the respondent has knowingly and willfully committed a violation, if  
6 the respondent is a member of an executive board or an officer of an  
7 association:

8 (a) The association is liable for all fines and costs imposed  
9 against the respondent pursuant to this section; and

10 (b) The respondent may not be held personally liable for those  
11 fines and costs.

12 **Sec. 44.** NRS 116.793 is hereby amended to read as follows:

13 116.793 1. Notwithstanding the provisions of NRS ~~116.745~~  
14 *116.750* to 116.795, inclusive, a person who is aggrieved by an  
15 alleged violation of subsection 6 of NRS 116.3102 or subsection 8  
16 of NRS 116.4109 may file with the Division a written complaint  
17 that sets forth the facts constituting the alleged violation. The  
18 complaint may allege any actual damages suffered by the aggrieved  
19 person as a result of the alleged violation.

20 2. The Division shall:

21 (a) Review a complaint filed pursuant to subsection 1 in a timely  
22 manner.

23 (b) If circumstances warrant, issue to the person who is alleged  
24 to have committed the violation a notice requesting a written  
25 response and proof of corrective action, including, without  
26 limitation, the reimbursement of any excessive fees to the aggrieved  
27 person.

28 3. Failure to respond to a notice issued pursuant to paragraph  
29 (b) of subsection 2 within 30 days after receipt of the notice:

30 (a) Shall be deemed to be an admission of the violation; and

31 (b) Is punishable by an administrative fine in the amount of  
32 \$250.

33 **Sec. 45.** NRS 116B.815 is hereby amended to read as follows:

34 116B.815 The Office of the Ombudsman for Owners in  
35 Common-Interest Communities and Condominium Hotels created  
36 by NRS 116.625 shall:

37 1. Assist in processing claims arising under this chapter that  
38 are submitted to mediation or arbitration ~~for referred to a program~~  
39 pursuant to NRS 38.300 to 38.360, inclusive;

40 2. Assist owners in condominium hotels to understand their  
41 rights and responsibilities as set forth in this chapter and the  
42 governing documents of their associations, including, without  
43 limitation, publishing materials related to those rights and  
44 responsibilities;



1 3. Assist members of executive boards and officers of  
2 associations to carry out their duties;

3 4. When appropriate, investigate disputes involving the  
4 provisions of this chapter or the governing documents of an  
5 association and assist in resolving such disputes; and

6 5. Compile and maintain a registration of each association  
7 organized within the State which includes, without limitation, the  
8 following information:

9 (a) The name, address and telephone number of the association;

10 (b) The names, mailing addresses and telephone numbers of the  
11 members of the executive board of the association;

12 (c) The name of the declarant;

13 (d) The name of the hotel unit owner;

14 (e) The number of units in the condominium hotel;

15 (f) The total annual assessment made by the association; and

16 (g) The number of foreclosures which were completed on units  
17 within the condominium hotel and which were based on liens for the  
18 failure of the unit's owner to pay any assessments levied against the  
19 unit or any fines imposed against the unit's owner.

20 **Sec. 46.** NRS 116B.845 is hereby amended to read as follows:

21 116B.845 1. The Commission shall conduct such hearings  
22 and other proceedings as are required by the provisions of this  
23 chapter.

24 2. The Commission shall collect and maintain or cause to be  
25 collected and maintained accurate information relating to:

26 (a) The number of condominium hotels in this State;

27 (b) The effect of the provisions of this chapter and any  
28 regulations adopted pursuant thereto on the development and  
29 construction of condominium hotels, the residential lending market  
30 for units within condominium hotels and the operation and  
31 management of condominium hotels;

32 (c) Violations of the provisions of this chapter and any  
33 regulations adopted pursuant thereto;

34 (d) The accessibility and use of, and the costs related to, the  
35 arbitration ~~[ ]~~ and mediation ~~[and program]~~ procedures set forth in  
36 NRS 38.300 to 38.360, inclusive, and the decisions rendered and  
37 awards made pursuant to those procedures;

38 (e) The number of foreclosures which were completed on units  
39 within condominium hotels and which were based on liens for the  
40 failure of the unit's owner to pay any assessments levied against the  
41 unit or any fines imposed against the unit's owner; and

42 (f) Other issues that the Commission determines are of concern  
43 to units' owners, associations, developers and other persons affected  
44 by condominium hotels.

45 3. The Commission shall develop and promote:



1 (a) Educational guidelines for conducting the elections of the  
2 members of an executive board, the meetings of an executive board  
3 and the meetings of the units' owners of an association; and

4 (b) Educational guidelines for the enforcement of the governing  
5 documents of an association through liens, penalties and fines.

6 4. The Commission shall recommend and approve for  
7 accreditation programs of education and research relating to  
8 condominium hotels, including, without limitation:

9 (a) The management of condominium hotels;

10 (b) The sale and resale of units within condominium hotels;

11 (c) Alternative methods that may be used to resolve disputes  
12 relating to condominium hotels; and

13 (d) The enforcement, including by foreclosure, of liens on units  
14 within condominium hotels for the failure of the unit's owner to pay  
15 any assessments levied against the unit or any fines imposed against  
16 the unit's owner.

17 **Sec. 47.** NRS 116B.850 is hereby amended to read as follows:

18 116B.850 The Commission may:

19 1. By regulation, establish standards for subsidizing  
20 proceedings for mediation ~~{ }~~ and arbitration ~~{and a program}~~  
21 conducted pursuant to NRS 38.300 to 38.360, inclusive, to ensure  
22 that such proceedings are not lengthy and are affordable and readily  
23 accessible to all parties;

24 2. By regulation, establish standards for subsidizing  
25 educational programs for the benefit of units' owners, members of  
26 executive boards and officers of associations;

27 3. Accept any gifts, grants or donations; and

28 4. Enter into agreements with other entities that are required or  
29 authorized to carry out similar duties in this State or in other  
30 jurisdictions and cooperate with such entities to develop uniform  
31 procedures for carrying out the provisions of this chapter and for  
32 accumulating information needed to carry out those provisions.

33 **Sec. 48.** NRS 38.300 is hereby amended to read as follows:

34 38.300 As used in NRS 38.300 to 38.360, inclusive, unless the  
35 context otherwise requires:

36 1. "Assessments" means:

37 (a) Any charge which an association may impose against an  
38 owner of residential property pursuant to a declaration of covenants,  
39 conditions and restrictions, including any late charges, interest and  
40 costs of collecting the charges; and

41 (b) Any penalties, fines, fees and other charges which may be  
42 imposed by an association pursuant to paragraphs (j) to (o),  
43 inclusive, of subsection 1 of NRS 116.3102 or subsections 10, 11  
44 and 12 of NRS 116B.420.



1 2. "Association" has the meaning ascribed to it in NRS  
2 116.011 or 116B.030.

3 3. "Civil action" includes an action for money damages or  
4 equitable relief. The term does not include an action in equity for  
5 injunctive relief in which there is an immediate threat of irreparable  
6 harm, or an action relating to the title to residential property.

7 4. "Division" means the Real Estate Division of the  
8 Department of Business and Industry.

9 5. ~~["Program" means a program established by the Division  
10 under which a person, including, without limitation, a referee or  
11 hearing officer, can render decisions on disputes relating to:~~

12 ~~—(a) The interpretation, application or enforcement of any  
13 covenants, conditions or restrictions applicable to residential  
14 property or any bylaws, rules or regulations adopted by an  
15 association; or~~

16 ~~—(b) The procedures used for increasing, decreasing or imposing  
17 additional assessments upon residential property.~~

18 ~~6.]~~ "Residential property" includes, but is not limited to, real  
19 estate within a planned community subject to the provisions of  
20 chapter 116 of NRS or real estate within a condominium hotel  
21 subject to the provisions of chapter 116B of NRS. The term does not  
22 include commercial property if no portion thereof contains property  
23 which is used for residential purposes.

24 **Sec. 49.** NRS 38.310 is hereby amended to read as follows:

25 38.310 1. No civil action based upon a claim relating to:

26 (a) The interpretation, application or enforcement of any  
27 covenants, conditions or restrictions applicable to residential  
28 property or any bylaws, rules or regulations adopted by an  
29 association; or

30 (b) The procedures used for increasing, decreasing or imposing  
31 additional assessments upon residential property,

32 ↪ may be commenced in any court in this State unless the action  
33 has been submitted to mediation or ~~[, if the parties agree, has been  
34 referred to a program]~~ **arbitration** pursuant to the provisions of NRS  
35 38.300 to 38.360, inclusive, and, if the civil action concerns real  
36 estate within a planned community subject to the provisions of  
37 chapter 116 of NRS or real estate within a condominium hotel  
38 subject to the provisions of chapter 116B of NRS, all administrative  
39 procedures specified in any covenants, conditions or restrictions  
40 applicable to the property or in any bylaws, rules and regulations of  
41 an association have been exhausted.

42 2. A court shall dismiss any civil action which is commenced  
43 in violation of the provisions of subsection 1.



1       **Sec. 50.** NRS 38.320 is hereby amended to read as follows:

2       38.320 1. Any civil action described in NRS 38.310 must be  
3 submitted to mediation or ~~referred to a program~~ *arbitration* by  
4 filing a written claim with the Division. The claim must include:

5       (a) The complete names, addresses and telephone numbers of all  
6 parties to the claim;

7       (b) A specific statement of the nature of the claim;

8       (c) A statement of whether the person wishes to have the claim  
9 ~~referred~~ *submitted to [a program;] mediation or arbitration and, if*  
10 *the person wishes to have the claim submitted to arbitration,*  
11 *whether the person agrees to binding arbitration;* and

12       (d) Such other information as the Division may require.

13       2. The written claim must be accompanied by a filing fee of  
14 \$50.

15       3. Upon the filing of the written claim, the claimant shall serve  
16 a copy of the claim in the manner prescribed in Rule 4 of the  
17 Nevada Rules of Civil Procedure for the service of a summons and  
18 complaint. The claim so served must be accompanied by a statement  
19 explaining the procedures for mediation and ~~for a program~~  
20 *arbitration* set forth in NRS 38.300 to 38.360, inclusive.

21       4. Upon being served pursuant to subsection 3, the person upon  
22 whom a copy of the written claim was served shall, within 30 days  
23 after the date of service, file a written answer with the Division,  
24 which must include a statement of whether the person wishes to  
25 have the claim ~~referred to a program~~ *submitted to mediation or*  
26 *arbitration.* The answer must be accompanied by a filing fee of \$50.

27       **Sec. 51.** NRS 38.325 is hereby amended to read as follows:

28       38.325 ~~If the Division establishes a program;~~

29       1. Upon receipt of a written claim and answer filed pursuant to  
30 NRS 38.320 in which all the parties indicate that they wish to have  
31 the claim ~~referred to such a program,~~ *submitted to mediation or*  
32 *arbitration, as applicable,* the Division may ~~refer~~ *so submit* the  
33 ~~parties to the program~~ *claim.*

34       2. The person to whom the ~~parties are referred pursuant to the~~  
35 ~~program~~ *claim is submitted* shall review the claim and answer filed  
36 pursuant to NRS 38.320 and, unless the parties agree to waive a  
37 hearing, conduct a hearing on the claim. After reviewing the claim  
38 and the answer and, if required, conducting a hearing on the claim,  
39 the person shall issue a written decision and award and provide a  
40 copy of the written decision and award to the parties. The person  
41 may not award to either party costs or attorney's fees.

42       3. Any party may, within 60 days after receiving the written  
43 decision and award pursuant to subsection 2, commence a civil  
44 action in the proper court concerning the claim. Any complaint filed  
45 in such an action must contain a sworn statement indicating that the



1 issues addressed in the complaint have been ~~referred to a program~~  
2 *submitted to mediation or arbitration, as applicable*, pursuant to  
3 the provisions of NRS 38.300 to 38.360, inclusive. If such an action  
4 is not commenced within 60 days after receiving the written  
5 decision and award pursuant to subsection 2, any party may, within  
6 1 year after receiving the written decision and award, apply to the  
7 proper court for a confirmation of the written decision and award  
8 pursuant to NRS 38.239.

9 **Sec. 52.** NRS 38.330 is hereby amended to read as follows:

10 38.330 1. ~~{Unless a program has been established and the}~~ *If*  
11 *all* parties ~~{have elected}~~ *named in a written claim filed pursuant to*  
12 *NRS 38.320 agree* to have the claim ~~referred to a program,~~  
13 *submitted for mediation*, the parties shall *reduce the agreement to*  
14 *writing and* select a mediator from the list of mediators maintained  
15 by the Division pursuant to NRS 38.340. Any mediator selected  
16 must be available within the geographic area. If the parties fail to  
17 agree upon a mediator, the Division shall appoint a mediator from  
18 the list of mediators maintained by the Division. Any mediator  
19 appointed must be available within the geographic area. Unless  
20 otherwise provided by an agreement of the parties, mediation must  
21 be completed within 60 days after ~~{the filing of the written claim.~~  
22 ~~Not later than 5 days before mediation is scheduled to be conducted,~~  
23 ~~each party must submit to the mediator a written statement which~~  
24 ~~sets forth the issues in dispute. Mediation must not exceed 3 hours,~~  
25 ~~unless}~~ the parties agree to ~~{an extension of such time.}~~ *mediation.*  
26 Any agreement obtained through mediation conducted pursuant to  
27 this section must, within 20 days after the conclusion of mediation,  
28 be reduced to writing by the mediator and a copy thereof provided  
29 to each party. The agreement may be enforced as any other written  
30 agreement. Except as otherwise provided in this section, the parties  
31 are responsible for ~~{the cost}~~ *all costs* of mediation conducted  
32 pursuant to this section. ~~{, which must not exceed \$500 for 3 hours~~  
33 ~~of mediation. If the parties agree to extend mediation beyond 3~~  
34 ~~hours pursuant to this subsection, the fee for the additional hours~~  
35 ~~must not exceed \$200 per hour.}~~ If the parties participate in  
36 mediation and an agreement is not obtained, any party may  
37 commence a civil action in the proper court concerning the claim  
38 that was submitted to mediation. Any complaint filed in such an  
39 action must contain a sworn statement indicating that the issues  
40 addressed in the complaint have been mediated pursuant to the  
41 provisions of NRS 38.300 to 38.360, inclusive, but an agreement  
42 was not obtained.

43 2. ~~{Before commencing a civil action in the proper court, the}~~  
44 *If all* parties named in the claim ~~{may}~~ *do not* agree to ~~{arbitration if~~  
45 ~~the parties have participated in mediation in which an agreement~~





1 ~~was not obtained or if a written decision and award have been issued~~  
2 ~~pursuant to NRS 38.325. Unless the parties agree in writing to~~  
3 ~~binding arbitration, the arbitration is nonbinding. The cost of~~  
4 ~~arbitration conducted pursuant to this section must not exceed \$300~~  
5 ~~per hour. If *mediation*, the parties ~~agree to arbitration, they~~~~ shall  
6 select an arbitrator from the list of arbitrators maintained by the  
7 Division pursuant to NRS 38.340. Any arbitrator selected must be  
8 available within the geographic area. If the parties fail to agree upon  
9 an arbitrator, the Division shall appoint an arbitrator from the list  
10 maintained by the Division. Any arbitrator appointed must be  
11 available within the geographic area. Upon appointing an arbitrator,  
12 the Division shall provide the name of the arbitrator to each party.  
13 An arbitrator shall, not later than 5 days after the arbitrator's  
14 selection or appointment pursuant to this subsection, provide to the  
15 parties an informational statement relating to the arbitration of a  
16 claim pursuant to this section. The written informational statement:

17 (a) Must be written in plain English;

18 (b) Must explain the procedures and applicable law relating to  
19 the arbitration of a claim conducted pursuant to this section,  
20 including, without limitation, the procedures, timelines and  
21 applicable law relating to confirmation of an award pursuant to NRS  
22 38.239, vacation of an award pursuant to NRS 38.241, judgment on  
23 an award pursuant to NRS 38.243, and any applicable statute or  
24 court rule governing the award of attorney's fees or costs to any  
25 party; and

26 (c) Must be accompanied by a separate form acknowledging that  
27 the party has received and read the informational statement, which  
28 must be returned to the arbitrator by the party not later than 10 days  
29 after receipt of the informational statement.

30 3. The Division may provide for the payment of the fees for a  
31 mediator or an arbitrator selected or appointed pursuant to this  
32 section from the Account for Common-Interest Communities and  
33 Condominium Hotels created by NRS 116.630, to the extent that:

34 (a) The Commission for Common-Interest Communities and  
35 Condominium Hotels approves the payment; and

36 (b) There is money available in the Account for this purpose.

37 4. Except as otherwise provided in this section and except  
38 where inconsistent with the provisions of NRS 38.300 to 38.360,  
39 inclusive, the arbitration of a claim pursuant to this section must be  
40 conducted in accordance with the provisions of NRS 38.231,  
41 38.232, 38.233, 38.236 to 38.239, inclusive, 38.242 and 38.243. At  
42 any time during the arbitration of a claim relating to the  
43 interpretation, application or enforcement of any covenants,  
44 conditions or restrictions applicable to residential property or any  
45 bylaws, rules or regulations adopted by an association, the arbitrator



1 may issue an order prohibiting the action upon which the claim is  
2 based. An award must be made within 30 days after the conclusion  
3 of arbitration, unless a shorter period is agreed upon by the parties to  
4 the arbitration.

5 5. If all the parties ~~{have agreed}~~ *do not agree* to *binding*  
6 arbitration, ~~{but have not agreed whether the arbitration will be~~  
7 ~~binding or nonbinding,}~~ the arbitration will be nonbinding ~~{-If~~  
8 ~~arbitration is nonbinding,}~~, *and* any party to the nonbinding  
9 arbitration may, within 30 days after a final decision and award  
10 which are dispositive of any and all issues of the claim which were  
11 submitted to nonbinding arbitration have been served upon the  
12 parties, commence a civil action in the proper court concerning the  
13 claim which was submitted for arbitration. Any complaint filed in  
14 such an action must contain a sworn statement indicating that the  
15 issues addressed in the complaint have been arbitrated pursuant to  
16 the provisions of NRS 38.300 to 38.360, inclusive. If such an action  
17 is not commenced within that period, any party to the arbitration  
18 may, within 1 year after the service of the award, apply to the proper  
19 court for a confirmation of the award pursuant to NRS 38.239.

20 6. If all the parties agree in writing to binding arbitration, the  
21 arbitration must be conducted in accordance with the provisions of  
22 this chapter. An award procured pursuant to such binding arbitration  
23 may be vacated and a rehearing granted upon application of a party  
24 pursuant to the provisions of NRS 38.241.

25 7. If, after the conclusion of binding arbitration, a party:

26 (a) Applies to have an award vacated and a rehearing granted  
27 pursuant to NRS 38.241; or

28 (b) Commences a civil action based upon any claim which was  
29 the subject of arbitration,

30 ↪ the party shall, if the party fails to obtain a more favorable award  
31 or judgment than that which was obtained in the initial binding  
32 arbitration, pay all costs and reasonable attorney's fees incurred by  
33 the opposing party after the application for a rehearing was made or  
34 after the complaint in the civil action was filed.

35 8. Upon request by a party, the Division shall provide a  
36 statement to the party indicating the amount of the fees for a  
37 mediator or an arbitrator selected or appointed pursuant to this  
38 section.

39 9. As used in this section, "geographic area" means an area  
40 within 150 miles from any residential property or association which  
41 is the subject of a written claim submitted pursuant to NRS 38.320.

42 **Sec. 53.** NRS 38.340 is hereby amended to read as follows:

43 38.340 For the purposes of NRS 38.300 to 38.360, inclusive,  
44 the Division shall establish and maintain:



1 1. A list of mediators and arbitrators who are available for  
2 mediation and arbitration of claims. The list must include mediators  
3 and arbitrators who, as determined by the Division, have received  
4 training and experience in mediation or arbitration and in the  
5 resolution of disputes concerning associations, including, without  
6 limitation, the interpretation, application and enforcement of  
7 covenants, conditions and restrictions pertaining to residential  
8 property and the articles of incorporation, bylaws, rules and  
9 regulations of an association. In establishing and maintaining the  
10 list, the Division may use lists of qualified persons maintained by  
11 any organization which provides mediation or arbitration services.  
12 Before including a mediator or arbitrator on a list established and  
13 maintained pursuant to this section, the Division may require the  
14 mediator or arbitrator to present proof satisfactory to the Division  
15 that the mediator or arbitrator has received the training and  
16 experience required for mediators or arbitrators pursuant to this  
17 section.

18 2. A document which contains a written explanation of the  
19 procedures for mediating and arbitrating claims ~~{and for a program}~~  
20 pursuant to NRS 38.300 to 38.360, inclusive.

21 **Sec. 54.** NRS 38.350 is hereby amended to read as follows:

22 38.350 Any statute of limitations applicable to a claim  
23 described in NRS 38.310 is tolled from the time the claim is  
24 submitted to mediation or arbitration ~~{or referred to a program}~~  
25 pursuant to NRS 38.300 to 38.360, inclusive, until the conclusion of  
26 mediation or arbitration of the claim and the period for vacating the  
27 award has expired . ~~{, or until the issuance of a written decision and~~  
28 ~~award pursuant to the program.}~~

29 **Sec. 55.** NRS 40.615 is hereby amended to read as follows:

30 40.615 "Constructional defect" means a defect in the design,  
31 construction, manufacture, repair or landscaping of a new residence,  
32 of an alteration of or addition to an existing residence, or of an  
33 appurtenance and includes, without limitation, the design,  
34 construction, manufacture, repair or landscaping of a new residence,  
35 of an alteration of or addition to an existing residence, or of an  
36 appurtenance:

37 1. Which presents an unreasonable risk of injury to a person or  
38 property; ~~{or}~~

39 2. Which is not completed in a good and workmanlike manner  
40 and proximately causes physical damage to the residence, an  
41 appurtenance or the real property to which the residence or  
42 appurtenance is affixed ~~{;}~~ ; or

43 3. *Which is not constructed:*

44 (a) *In accordance with applicable law, including, without*  
45 *limitation, in violation of local codes or ordinances;*



1 *(b) According to sound standards of engineering and*  
2 *construction; and*

3 *(c) In a workmanlike manner.*

4 **Sec. 56.** NRS 40.655 is hereby amended to read as follows:

5 40.655 1. Except as otherwise provided in NRS 40.650, in a  
6 claim governed by NRS 40.600 to 40.695, inclusive, the claimant  
7 may recover only the following damages to the extent proximately  
8 caused by a constructional defect:

9 (a) The reasonable cost of any repairs already made that were  
10 necessary and of any repairs yet to be made that are necessary to  
11 cure any constructional defect that the contractor failed to cure and  
12 the reasonable expenses of temporary housing reasonably necessary  
13 during the repair;

14 (b) The reduction in market value of the residence or accessory  
15 structure, if any, to the extent the reduction is because of structural  
16 failure;

17 (c) The loss of the use of all or any part of the residence;

18 (d) The reasonable value of any other property damaged by the  
19 constructional defect;

20 (e) Any additional costs reasonably incurred by the claimant,  
21 including, but not limited to, any costs and fees incurred for the  
22 retention of experts to:

23 (1) Ascertain the nature and extent of the constructional  
24 defects;

25 (2) Evaluate appropriate corrective measures to estimate the  
26 value of loss of use; and

27 (3) Estimate the value of loss of use, the cost of temporary  
28 housing and the reduction of market value of the residence; ~~and~~

29 (f) Any interest provided by statute ~~§~~; and

30 *(g) Any reasonable attorney's fees sufficient to place the*  
31 *claimant in as good a position as the claimant would have been if*  
32 *the constructional defect did not exist.*

33 2. If a contractor complies with the provisions of NRS 40.600  
34 to 40.695, inclusive, the claimant may not recover from the  
35 contractor, as a result of the constructional defect, any damages  
36 other than damages authorized pursuant to NRS 40.600 to 40.695,  
37 inclusive.

38 3. This section must not be construed as impairing any  
39 contractual rights between a contractor and a subcontractor, supplier  
40 or design professional.

41 4. As used in this section, "structural failure" means physical  
42 damage to the load-bearing portion of a residence or appurtenance  
43 caused by a failure of the load-bearing portion of the residence or  
44 appurtenance.



1     **Sec. 57.** 1. A covered building owner shall, not later than 2  
2 years after the date on which sections 16 to 22, inclusive, of this act  
3 become effective, retain a structural inspector to perform a structural  
4 inspection of the building components of the primary load-bearing  
5 system of a covered building for which a certificate of occupancy  
6 was issued before the date on which sections 16 to 22, inclusive, of  
7 this act become effective.

8     2. A structural inspector who performs a structural inspection  
9 pursuant to subsection 1 shall:

10     (a) Review the construction plans submitted with the application  
11 for a building permit for the covered building; and

12     (b) Issue a written report describing the condition of the primary  
13 load-bearing system of the covered building. The written report  
14 must comply with the requirements of subsections 2 to 5, inclusive,  
15 of section 20 of this act and include a statement whether the primary  
16 load-bearing system of the covered building conforms to the  
17 construction plans.

18     3. If the structural inspector determines that the primary load-  
19 bearing system of the covered building does not conform to the  
20 construction plans, the covered building owner must provide  
21 additional construction plans which conform to the modification of  
22 the primary load-bearing system.

23     4. As used in this section:

24     (a) "Covered building" has the meaning ascribed to it in section  
25 5 of this act.

26     (b) "Covered building owner" has the meaning ascribed to it in  
27 section 6 of this act.

28     (c) "Primary load-bearing system" has the meaning ascribed to it  
29 in section 10 of this act.

30     (d) "Structural inspection" has the meaning ascribed to it in  
31 section 11 of this act.

32     (e) "Structural inspector" has the meaning ascribed to it in  
33 section 12 of this act.

34     **Sec. 58.** The amendatory provisions of sections 55 and 56 of  
35 this act apply to an action for a constructional defect filed pursuant  
36 to NRS 40.600 to 40.695, inclusive, commenced before, on or after  
37 the effective date of sections 55 and 56 of this act.

38     **Sec. 59.** NRS 116.745 is hereby repealed.

39     **Sec. 60.** 1. This section and sections 1, 3 to 6, inclusive, 8 to  
40 13, inclusive, 15 to 27, inclusive, 31, 32 and 55 to 59, inclusive, of  
41 this act become effective upon passage and approval.

42     2. Sections 2, 7, 14, 28, 29, 30, 33 to 54, inclusive, and 60 of  
43 this act become effective on October 1, 2025.



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**TEXT OF REPEALED SECTION**

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**116.745 “Violation” defined.** As used in NRS 116.745 to 116.795, inclusive, unless the context otherwise requires, “violation” means a violation of:

1. Any provision of this chapter except NRS 116.31184;
2. Any regulation adopted pursuant to this chapter; or
3. Any order of the Commission or a hearing panel.





