

Nevada CAI LAC 2025 (83rd) Legislative Session Bill Draft Update – 4/2/25

Legislative session is well underway, and the Community Associations Institute Nevada Legislative Action Committee (LAC) has been working hard on your behalf! At this point, all bills that may be filed have been filed, so this update covers the initial filings and our positions with respect to those initial filings. PLEASE NOTE: The initial filings are subject to amendment/change, which means our position thereon is subject to substantial adjustment based upon acceptable revisions to the bills.

The following are the bills filed that are of particular importance to the community association industry and organized by LAC's current positions on those bills: Bad bills we are opposing, Good bills we are supporting.

For a live update on the bills below, please join us at CAI's monthly luncheon, 11am, Tuesday, April 8th, 2025 at the Suncoast Hotel & Casino. <u>Advance registration is required</u>. For information about registration, contact CAI Executive Director Ms. Chris Snow at info@cainevada.org.

I. <u>Bad Bills - Oppose:</u>

The following are bills LAC is opposing because LAC considers the bills to be bad for the industry, in conflict with CAI's national policies, or otherwise believes the bills negatively impact associations:

AB129 (Requires All Association Projects go to Bid and Associations Must Accept Lowest Bid) – **Oppose** – This bill would require all of an association's projects go to bid in any situation other than an emergency where property damage or personal harm would occur. Further, it requires associations award contracts to the lowest bidder without provision for the bidder's ability, compliance with the scope of work, or the judgment of appropriate professionals. Obviously, it is not practicable for an association to go to bid on all projects because of warranty issues, available providers, and unreasonable circumstances. Moreover, unlike government contracts, association bidders are not subject to the rigorous contractor approval and quality control requirements of the government, which means in many cases it would be imprudent to accept the lowest bid. LAC opposes this bill.

AB185 & AB322 (Prohibits Associations from Prohibiting Child Care Businesses) – Oppose – These bills would prohibit all community associations from prohibiting childcare businesses, provided the businesses are licensed, nominally insured, have no more than 12 children, and are not in age-restricted communities. LAC opposes these bills because they do not comply with CAI policy due to the fact that the bills: allow a business that its readily apparent and disruptive; do not require appropriate insurance to protect associations where facilities are located; do not include reasonable restrictions regarding noise, parking, and traffic; disregard the agreement on the operation of such businesses within the community that owners have made through their CC&Rs;



do not allow for a reasonable and appropriate limitation on the number of children served by the facilities based upon size and surrounding amenities; and do not differentiate requirements for condominiums and high-rises. LAC opposes this bill and has proposed reasonable amendments as a compromise.

AB 324 (Eliminates Requirements for Associations to Carry Insurance for Townhomes) – Oppose – This bill eliminates the obligation for an association to insure townhome units. This change runs counter to the principles of the Uniform Common Interest Ownership Act and therefore CAI policy. Importantly, without proper insurance in place, where a fire loss occurs in a unit in a townhome community the association would be unable to repair the units and owners would be negatively impacted by unrepaired, burned down, units. LAC acknowledges that persons not having suffered such circumstances might believe that this bill is an ideal change. However, LAC supports policies that will reduce association insurance costs while responsibly maintaining sufficient coverage for an association from issues such as the one noted herein, but this bill is not such a change. LAC opposes this bill but has proposed reasonable amendments as a compromise.

SB 121 (Prohibits HOA Landscaping Installation Deadlines, Prohibits Prohibitions Against Commercial Advertisements (including Sexual) on Vehicles in HOA, Requires 45-Days' Notice to Owners to Change Management) - This bill eliminates common fundamental restrictions imposed by an HOA such as requiring timely installation of landscaping and prohibitions against parking vehicles in the community with commercial signs on them. The bill allows a unit purchaser (not just an original purchaser) to have three (3) years to install landscaping, which is patently unreasonable. The bill prohibits associations from prohibiting the parking of vehicles with commercial signs on them but allows requirements for magnets to be placed over sexual images and drugs. The bill requires associations to provide owners with 45days' notice prior to making a decision to change management and then provide another 45-days' notice prior to the change being made. This bill is counter to the fundamental ability of owners to contract for agreed upon protections within their community, including that their neighbors have decent looking yards and do not drive sex and drug advertisements through the community before placing a magnet over them in their driveway. Further, it restricts associations and association managers from freely making decisions upon their contractual arrangements by forcing associations to continue working with management teams they wish to terminate and forcing managers to continue working with associations they wish to terminate, without an exception for termination in the event either party is acting in an unlawful manner. LAC opposes this bill.

SB 152 (Permits Any Resident to Install an EV Charger Anywhere they have Exclusive Use Rights) – **Oppose** – The bill currently contains a blanket ban stopping associations from prohibiting the installation of EV chargers in portions of property that an "owner" or "occupant" "has the right to occupy and use exclusively," which would include assigned/deeded parking spaces in high-rise garages, condo garages, parking lots, limited common element front yards,



front yards, and similar areas and would provide tenants with the right to install such chargers. The bill language expressly prevents prohibitions, which means "reasonable rules" that would prohibit installations in those areas would not be enforceable because prohibition is not allowed. LAC opposes this bill because the grant of installation rights to non-owners and the inability for associations to govern installation issues such as feasibility of installation, overall demands on power, allocation of costs, removal of installations, location restrictions, and equal rights to installations for all owners is not compliant with CAI policy. LAC is working with the bill sponsor to achieve a reasonable amendment in line with CAI's electric vehicle charger policies. LAC opposes this bill in its original form but will support the bill if it is amended to conform with CAI's EV policy.

SB 221 (Makes NRED Complaints and Related Information Public Record) – Oppose – This bill would cause all Intervention Affidavits (aka NRED or Ombudsman Complaints) and information gathered therefrom to be subject to public records requests. The protection of private information of individuals that may be received by government entities during an investigation is important. Government entities stand to lose the cooperation and confidence of the public where the public is unable to communicate confidential information with them. This is why investigatory information that is not used in criminal prosecutions is not available to the public at the state or federal level. The only reason to obtain information regarding an unprosecuted investigation would be to allow members of the public to use it to harass the individuals who were subject to the complaint, witnesses involved, the NRED, the DAG, the persons filing the complaint, or to obtain otherwise confidential information that persons were required to provide during the investigation process that would not be otherwise available. There are no legitimate purposes for the information other than those relating to harassment because there is no other use that a member of the public could have for the information. LAC opposes this bill.

SB 222 (Entitles Owners to Videorecord HOA Meetings) – Oppose – This bill would give all unit owners the right to videorecord their community association board meetings and member meetings, in addition to their existing right to audio record the meeting. Nevada is unique in providing owners the right to attend board meetings and audio record the same because most states do not provide such rights to owners. Out of context clips and manipulations of surreptitiously made video recordings are already routinely utilized to violate the privacy expectations of meeting attendees at associations through online postings and social media. Providing every owner the right to video a meeting, a right that does not have a legitimate legal purpose, further incentivizes such inappropriate activities as well as creating hostile situations were video cameras are aggressively shoved in peoples' faces. Meetings need to be more civil and incentivizing such bad behavior is not appropriate for communities that wish to operate happily and peacefully. LAC opposes this bill.



SB 339 (Mandatory Board Education, Mandatory Board Candidate Background Checks by NRED, Annual Reserve Study Requirements, Damage Claims to be Exempt from ADR and Adjudicated in Small Claims Court, and Additional NRED HOA Audit Requirements) -**Oppose** – This bill requires completion of mandatory board education within six (6) months of a volunteer's election to the Board, which is in conflict with CAI's policy against mandatory board education requirements. The bill requires board candidates to have a background check performed by the NRED and submit that background check to the membership with their candidate statements, which, in most cases, exceeds the bounds of reasonableness for a volunteer due to the private information unrelated to candidacy that would be divulged. The bill changes the five (5) year reserve study requirement to one (1) year, which conflicts with CAI's policy regarding reasonableness with respect to the frequency of obtaining reserve studies and will be cost prohibitive for many associations. The bill exempts claims for money damages from the prelitigation alternative dispute resolution (ADR) requirements and requires the claims to be adjudicated in small claims court, which conflicts with CAI's reasonable ADR policy requirements and places association claims in the wrong forum for resolution and adjudication. The bill requires the NRED to perform audits of associations simply where there is "reasonable cause" that a violation may be occurring as opposed to requiring "probable cause" or a determination of the Commission as currently required, which will result in an increase in NRED operating costs to be passed on to all associations and imposes an unreasonable right of the state to interfere with private corporations. LAC opposes this bill.

II. <u>Good Bills - Support:</u>

The following are bills LAC is supporting because LAC considers the bills good for the industry, consistent with LAC's national policies, and/or otherwise believes the bills positively impact associations:

AB10 (Neighborhood Improvement Project May Include HOA Water & Sewer Systems) – **Support** – AB10 will allow a neighborhood improvement project/district to be utilized to improve/repair a water or sewer system that belongs to a common interest community. LAC supports this bill because it facilitates funding of repairs needed for HOA systems.

SB201 (Prohibits Associations from Restricting Display of Certain Religious Items) – **Support** – This bill prohibits associations from restricting the display of religious items in doorways, which was a bill that was at issue last session. This session, the revised bill addresses many of LAC's original concerns with last session's bill, such as allowing for removal for maintenance, addressing safety issues, avoiding discriminatory items, and allowing prohibition of items that contain graphics, language or any display that is obscene or otherwise illegal. In light of these changes and provided the bill is amended as agreed upon, LAC is now in support of this

GRASSROOTS UPDATE



bill because the problematic issues for associations have been removed and it is a fair compromise with religious protection concerns.

SB433 (CAI LAC's Bill – Equal Protection Against Harassment and Bullying for All Persons Involved with HOAs, Actual Costs for Records Review, High-Rise Structural Integrity Inspection Requirements & Funding Ability, Pre-Litigation Alternative Dispute Resolution Defaults to Non-Binding Arbitration) – Support – SB433 was drafted by and is supported by LAC and carries three major components of LAC's goals for the session.

Anti-Harassment/Bullying: Currently, NRS 116 contains provisions crafted to only protect owners from board members and managers, SB433 provides equal protections to all persons involved in associations by providing board members and managers with protection from retaliation and bullying by owners. SB433 allows associations to charge the actual costs for the provision of records as opposed to forcing all association members to share in the cost of an individual's record review requests. SB433 provides for sanctions against any person who files frivolous and vexatious intervention affidavits (aka Ombudsmen or NRED complaints) against someone else with the NRED.

High-Rise Structural Integrity: In 2021, Champlain Towers South, a high-rise in Surfside, Florida, collapsed, killing at least 98 people. Many Nevada communities have similar structures. However, no periodic structural inspections of the buildings are required to be conducted after initial construction. This bill supplements existing law to require that high-rises be regularly structurally inspected during a building's pre-construction, construction, and post-construction phases. In addition, the bill revises NRS 116 to allow associations to levy assessments and obtain loans where needed to assure that adequate funds to make required repairs and fund reserves are available.

Non-Binding Arbitration in Lieu of Mediation: Currently, disputes related to an association's governing documents must be submitted to mediation prior to litigation being filed, which, according the Ombudsman's reports, has less than a 24% success rate. This bill will replace compulsory mediation with non-binding arbitration. This will provide unit owners and associations with swifter, simpler, and more efficient dispute mechanisms for architectural disputes, foreclosures, and other matters. Moreover, parties participating in non-binding arbitration will receive a decision from a neutral third-party arbitrator, but either party may file a civil action in court if they do not wish to accept the arbitrator's decision on their dispute.

III. Want to Know More About CAI's Public Policies?

Community Associations Institute's Public Polices, the policies followed by LAC, are located here: <u>https://www.caionline.org/advocacy/public-policies/</u>.

IV. Interested In Joining LAC?

GRASSROOTS UPDATE



CAI LAC annually sends an open call for candidates in the summer issues of Community Interest Magazine. LAC is limited in the number of members allowed on the committee and representation from CAI's various member groups is required to be balanced, so openings on the LAC are not always available.

Candidates for CAI LAC must be current members in good standing of the Nevada Chapter of CAI. Ideal candidates have been highly involved in the Chapter, have attended numerous Chapter educational seminars, and have served the Chapter on other committees, prior to submitting a nomination form to LAC.

V. Do You Have An Idea You Believe Warrants Legislative Attention?

CAI LAC made several calls for suggestions via Grassroots messages prior to the legislative session in early 2024. LAC anticipates making similar calls for suggestions in the future, so be sure to pay attention to Grassroots in 2026. Currently, bill draft requests are closed and all bills have been submitted, so it is too late to obtain legislative support for a new bill requests. We look forward to hearing your suggestions for next session!

VI. <u>Support CAI LAC!!!</u>

As you can see, LAC's is doing its best to make your communities safer, reduce costs to associations, protect fair competition in business, and prevent harm to your associations. CAI LAC would not have the ability to have an influence on the political affairs of our state without the efforts of our excellent lobbyist, Mr. Garrett Gordon, and our team of volunteer LAC members. It is imperative that we keep Mr. Gordon on retainer to achieve success at the legislature. Therefore, CAI LAC requests your support through donations.

- Donations to CAI LAC may be made directly online via credit card at https://cainevada.org/lac/; by credit card by a call to our Executive Director Chris Snow at (702) 648-8408; or by check payable to CAI-NVLAC delivered to Hilburn & Lein, 5520 S Fort Apache Rd, Las Vegas, NV 89148.
- All Associations are encouraged to contribute a "A Buck A Door or More" to CAI LAC, see https://cainevada.org/lac/ or contact a CAI LAC member for more information about the "A Buck A Door or More" campaign.

Thank You for Supporting NV CAI LAC /s/ Adam Clarkson Adam H. Clarkson, Esq., CCAL, Chair