

ASSEMBLY BILL NO. 192—ASSEMBLYMEN
WOODBURY; CARRILLO AND STEWART

FEBRUARY 24, 2015

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to common-interest communities. (BDR 10-661)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to common-interest communities; revising certain provisions concerning a period of declarant’s control of a unit-owners’ association; revising certain provisions relating to elections of the members of the executive board of a unit-owners’ association; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes provisions governing common-interest communities.
2 (Chapter 116 of NRS) Under existing law, the declaration of a common-interest
3 community may provide for a period of declarant’s control of the unit-owners’
4 association, during which a declarant may appoint and remove the officers and
5 members of the executive board of the association. (NRS 116.31032) This bill
6 revises the provisions governing the period of time in which a period of declarant’s
7 control must terminate. This bill also revises certain provisions concerning the
8 election of unit owners to the executive board during the period of declarant’s
9 control.

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

1 **Section 1.** NRS 116.31032 is hereby amended to read as
2 follows:
3 116.31032 1. Except as otherwise provided in this section,
4 the declaration may provide for a period of declarant’s control of the
5 association, during which a declarant, or persons designated by a
6 declarant, may appoint and remove the officers of the association



1 and members of the executive board. A declarant may voluntarily
2 surrender the right to appoint and remove officers and members of
3 the executive board before termination of that period and, in that
4 event, the declarant may require, for the duration of the period of
5 declarant's control, that specified actions of the association or
6 executive board, as described in a recorded instrument executed by
7 the declarant, be approved by the declarant before they become
8 effective. Regardless of the period provided in the declaration, a
9 period of declarant's control terminates no later than the earliest of:

10 (a) ~~Sixty~~ *For a common-interest community with less than*
11 *1,000 units, 60 days after conveyance of 75 percent of the units that*
12 *may be created to units' owners other than a declarant ~~or, if~~;*

13 (b) *For a common-interest community with 1,000 units or*
14 *more, 60 days after conveyance of 90 percent of the units that may*
15 *be created to units' owners other than a declarant;*

16 (c) *If the association exercises powers over a common-interest*
17 *community pursuant to this chapter and a time-share plan pursuant*
18 *to chapter 119A of NRS, 120 days after conveyance of 80 percent of*
19 *the units that may be created to units' owners other than a declarant;*

20 ~~(b)~~ (d) Five years after all declarants have ceased to offer
21 units for sale in the ordinary course of business;

22 ~~(e)~~ (e) Five years after any right to add new units was last
23 exercised; or

24 ~~(d)~~ (f) The day the declarant, after giving notice to units'
25 owners, records an instrument voluntarily surrendering all rights to
26 control activities of the association.

27 2. Not later than 60 days after conveyance of ~~25~~ *15* percent of
28 the units that may be created to units' owners other than a declarant,
29 at least one member and not less than 25 percent of the members of
30 the executive board must be elected by units' owners other than the
31 declarant. Not later than 60 days after conveyance of 50 percent of
32 the units that may be created to units' owners other than a declarant,
33 not less than one-third of the members of the executive board must
34 be elected by units' owners other than the declarant.

