

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.

~

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



* A B 1 9 2 R 1 *

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 ~~for, 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 ~~¶(c)~~ (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~~ *For a common-interest community with:*

28 (a) *Less than 1,000 units, not* later than 60 days after
29 conveyance of 25 percent of the units that may be created to units'
30 owners other than a declarant, at least one member and not less than
31 25 percent of the members of the executive board must be elected
32 by units' owners other than the declarant.

33 (b) *One thousand units or more, not later than 60 days after*
34 *conveyance of 15 percent of the units that may be created to units'*
35 *owners other than a declarant, at least one member and not less*
36 *than 25 percent of the members of the executive board must be*
37 *elected by units' owners other than the declarant.*

38 3. Not later than 60 days after conveyance of 50 percent of the
39 units that may be created to units' owners other than a declarant, not
40 less than one-third of the members of the executive board must be
41 elected by units' owners other than the declarant.

