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STATE OF NEVADA

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Director



**DEPARTMENT OF BUSINESS AND INDUSTRY  
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**MEMORANDUM**

**TO:** Assemblyman Bernie Anderson, Chairman  
Assembly Judiciary Committee

**DATE:** May 13, 2003

**RE:** Testimony Regarding Senate Bill 100

**FROM:** Gail J. Anderson, Administrator, Real Estate Division

In 1997, the Office of the Ombudsman for Owners in Common-Interest Communities was created to:

- Assist owners in common-interest communities to understand their rights and responsibilities as set for in Chapter 116 AND the governing documents of their associations;
- Assist persons appointed or elected to serve on executive boards of associations to carry out their duties;
- Assist in processing claims submitted to mediation arbitration; and
- Compile and maintain a registration of each association organized within the state.

The mere existence of the law itself and the existence of governing documents for individual communities has not sufficed to ensure that every self-governing association works well - and that everyone DOES what they're supposed to do - and responds in the way they should respond.

The Office of the Ombudsman is charged in NRS 116 with providing education and information to owners and board members. The Office has made progress by providing classes and training sessions toward fulfilling the purpose of assisting owners and board members in understanding and fulfilling their responsibilities. However, more assistance is needed than the Office of the Ombudsman is authorized by law to provide.

ASSEMBLY JUDICIARY

DATE: 5/14/03 ROOM: 3138 EXHIBIT L

SUBMITTED BY: Gail Anderson

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The Real Estate Division specifically supports SB 100 because it adds a very important component to the authority of the office: (Section 52, page 19) **“When appropriate, investigate disputes involving the provisions of this chapter or the governing documents of an association and assist in resolving such disputes.”**

The public is frustrated by our inability and limitations in what we can do to help in a problem situation. They are turning to us for assistance in getting conflicts and problems resolved. The Real Estate Division supports the creation of a Commission for Common-Interest Communities to hear complaints involving violations of NRS 116 and to render decisions to resolve disputes.

The Real Estate Division has been actively involved and working on this legislation throughout the process that brings us this far. We have especially had input as to how this legislation would be implemented, including the staffing and the processes of working with an administrative hearing commission (for Common Interest Communities).

The Real Estate Division supports Senate Bill 100.

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DEPARTMENT OF BUSINESS AND INDUSTRY  
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PROCESS OF RESOVLING COMPLAINTS IN  
COMMON-INTEREST COMMUNITIES  
AFTER SB100 IMPLEMENTATION

Step No. 1

Contact the Ombudsman's office for assistance in understanding rights, responsibilities and roles units owners and board members have when living in common-interest communities.

Step No. 2

Apply the knowledge gained from the assistance in step no. 1 to attempt to resolve the matter on your own.

Step No. 3

If you are unable to resolve the matter on your own, you may file a complaint with the Ombudsman's office requesting that they assist you in resolving the complaint.

Step No. 4

The Ombudsman's office will:

- facilitate communication between opposing parties ;
- seek information about the problems and review the facts;
- mediate discussions aimed at resolving conflicts;
- negotiate solutions to problems; and
- make a recommendation on how to solve the complaint.

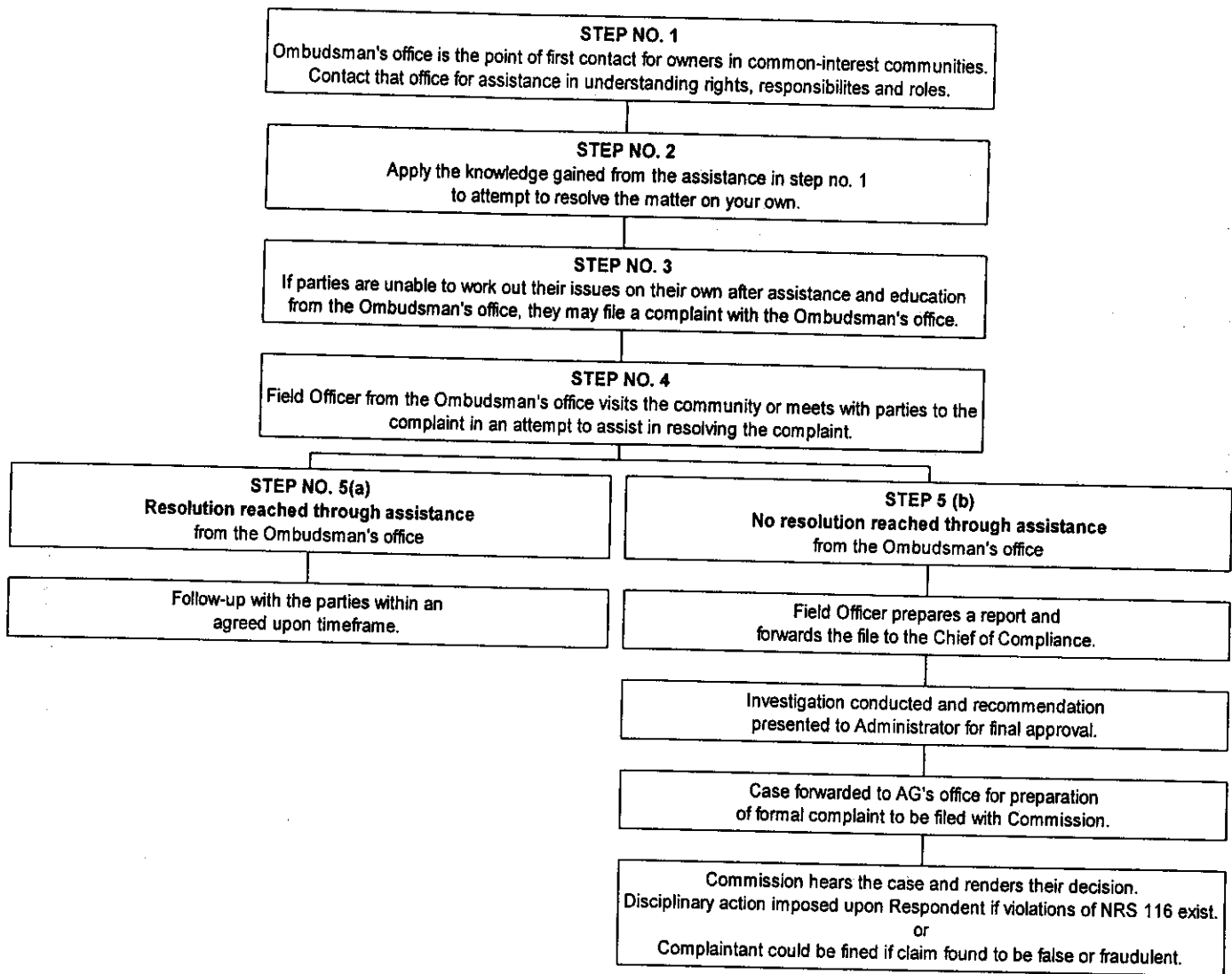
Step No. 5

The opposing parties may:

- Accept the recommendation made by the Ombudsman's office and resolve the complaint; or
- If the complaint involves violations of NRS 116, may ask that the Ombudsman's office refer their file to the Compliance Section to have an investigation conducted and if the investigation results in a conclusion that violations exist have a formal Complaint for Disciplinary Action filed with the Commission for Common-Interest Communities; or
- If the complaint involves violations of the governing documents of an association, but not violations of NRS 116, file an ADR claim pursuant to NRS 38.300-360.

\* Often times matters may have overlapping issues and you may have to file the complaint with the commission concurrently with the ADR claim (not possible in current version of SB100, Sec. 11).

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