

SENATE BILL NO. 136—SENATORS HARDY, O’CONNELL,
CEGAVSKE, TOWNSEND, AMODEI, CARE, COFFIN,
MCGINNESS, NOLAN, SCHNEIDER, SHAFFER, TIFFANY AND
TITUS

FEBRUARY 17, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to certain penalties
and fines imposed by unit-owners’ associations.
(BDR 10-897)

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 property; making various changes relating to
common-interest communities; authorizing a unit-owners’
association to impose construction penalties under certain
circumstances and to place and foreclose a lien on a unit
for failure to pay such penalties; revising provisions
governing the imposition of certain fines by a unit-
owners’ association; establishing certain procedural
requirements for the imposition of certain fines; providing
exceptions; and providing other matters properly relating
thereto.

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 a new section to read as follows:

3 ***1. A unit’s owner shall adhere to a schedule required by the***
4 ***association for:***

5 ***(a) The completion of the design of a unit or the design of an***
6 ***improvement to a unit;***

7 ***(b) The commencement of the construction of a unit or the***
8 ***construction of an improvement to a unit;***



1 (c) *The completion of the construction of a unit or the*
2 *construction of an improvement to the unit; or*

3 (d) *The issuance of a permit which is necessary for the*
4 *occupancy of a unit or for the use of an improvement to a unit.*

5 2. *The association may impose and enforce a construction*
6 *penalty against a unit's owner who fails to adhere to a schedule as*
7 *required pursuant to subsection 1 if:*

8 (a) *The maximum amount of the construction penalty and the*
9 *schedule are set forth in:*

10 (1) *The declaration;*

11 (2) *Another document related to the common-interest*
12 *community that is recorded before the date on which the unit's*
13 *owner acquired title to the unit; or*

14 (3) *A contract between the unit's owner and the*
15 *association; and*

16 (b) *The unit's owner receives notice of the alleged violation*
17 *which informs him that he has a right to a hearing on the alleged*
18 *violation.*

19 3. *For the purposes of this chapter, a construction penalty is*
20 *not a fine.*

21 **Sec. 2.** NRS 116.1203 is hereby amended to read as follows:

22 116.1203 1. Except as otherwise provided in subsection 2, if
23 a planned community contains no more than 12 units and is not
24 subject to any developmental rights, it is subject only to NRS
25 116.1105, 116.1106 and 116.1107 unless the declaration provides
26 that this entire chapter is applicable.

27 2. Except for NRS 116.3104, 116.31043, 116.31046 and
28 116.31138, *the provisions of* NRS 116.3101 to 116.3119, inclusive,
29 *and section 1 of this act and the definitions set forth in NRS*
30 *116.110305 to 116.110393, inclusive, to the extent that such*
31 *definitions are* necessary in construing any of those ~~sections,~~
32 *provisions,* apply to a residential planned community containing
33 more than six units.

34 **Sec. 3.** NRS 116.3102 is hereby amended to read as follows:

35 116.3102 1. Except as otherwise provided in subsection 2,
36 and subject to the provisions of the declaration, the association may:

37 (a) Adopt and amend bylaws, rules and regulations;

38 (b) Adopt and amend budgets for revenues, expenditures and
39 reserves and collect assessments for common expenses from units'
40 owners;

41 (c) Hire and discharge managing agents and other employees,
42 agents and independent contractors;

43 (d) Institute, defend or intervene in litigation or administrative
44 proceedings in its own name on behalf of itself or two or more units'
45 owners on matters affecting the common-interest community;



- 1 (e) Make contracts and incur liabilities;
- 2 (f) Regulate the use, maintenance, repair, replacement and
- 3 modification of common elements;
- 4 (g) Cause additional improvements to be made as a part of the
- 5 common elements;
- 6 (h) Acquire, hold, encumber and convey in its own name any
- 7 right, title or interest to real estate or personal property, but:
- 8 (1) Common elements in a condominium or planned
- 9 community may be conveyed or subjected to a security interest only
- 10 pursuant to NRS 116.3112; and
- 11 (2) Part of a cooperative may be conveyed, or all or part of a
- 12 cooperative may be subjected to a security interest, only pursuant to
- 13 NRS 116.3112;
- 14 (i) Grant easements, leases, licenses and concessions through or
- 15 over the common elements;
- 16 (j) Impose and receive any payments, fees or charges for the use,
- 17 rental or operation of the common elements, other than limited
- 18 common elements described in subsections 2 and 4 of NRS
- 19 116.2102, and for services provided to units' owners;
- 20 (k) Impose charges for late payment of assessments ~~[and, except~~
- 21 ~~as otherwise provided in NRS 116.31031, after notice and an~~
- 22 ~~opportunity to be heard, levy];~~
- 23 *(l) Impose construction penalties when authorized pursuant to*
- 24 *section 1 of this act;*
- 25 *(m) Impose* reasonable fines for violations of the ~~[declaration,~~
- 26 ~~bylaws, rules and regulations]~~ *governing documents* of the
- 27 association ~~;~~
- 28 ~~—(l)]~~ *only if the association complies with the requirements set*
- 29 *forth in NRS 116.31031;*
- 30 *(n)* Impose reasonable charges for the preparation and
- 31 recordation of amendments to the declaration, the information
- 32 required by NRS 116.4109 or statements of unpaid assessments;
- 33 ~~[(m)]~~ *(o)* Provide for the indemnification of its officers and
- 34 executive board and maintain directors' and officers' liability
- 35 insurance;
- 36 ~~[(n)]~~ *(p)* Assign its right to future income, including the right to
- 37 receive assessments for common expenses, but only to the extent the
- 38 declaration expressly so provides;
- 39 ~~[(o)]~~ *(q)* Exercise any other powers conferred by the declaration
- 40 or bylaws;
- 41 ~~[(p)]~~ *(r)* Exercise all other powers that may be exercised in this
- 42 state by legal entities of the same type as the association;
- 43 ~~[(q)]~~ *(s)* Direct the removal of vehicles improperly parked on
- 44 property owned or leased by the association, pursuant to NRS
- 45 487.038; and



1 ~~[(+)]~~ (t) Exercise any other powers necessary and proper for the
2 governance and operation of the association.

3 2. The declaration may not impose limitations on the power of
4 the association to deal with the declarant which are more restrictive
5 than the limitations imposed on the power of the association to deal
6 with other persons.

7 **Sec. 4.** NRS 116.31031 is hereby amended to read as follows:

8 116.31031 1. ~~[(+)]~~ *Except as otherwise provided in this*
9 *section, if* a unit's owner ~~[(+)]~~ or a tenant or guest of a unit's owner ~~[(+)]~~
10 ~~does not comply with a]~~ *violates any* provision of the governing
11 documents of an association, the executive board of the association
12 may, if the governing documents so provide:

13 (a) Prohibit, for a reasonable time, the unit's owner ~~[(+)]~~ or the
14 tenant or guest of the unit's owner ~~[(+)]~~ from:

15 (1) Voting on matters related to the common-interest
16 community.

17 (2) Using the common elements. The provisions of this
18 subparagraph do not prohibit the unit's owner ~~[(+)]~~ or the tenant or
19 guest of the unit's owner ~~[(+)]~~ from using any vehicular or pedestrian
20 ingress or egress to go to or from the unit, including any area used
21 for parking.

22 (b) ~~[(Require)]~~ *Impose a fine against* the unit's owner ~~[(+)]~~ or the
23 tenant or guest of the unit's owner ~~[(+)]~~ ~~to pay a fine]~~ for each ~~[(failure~~
24 ~~to comply that does not threaten the health and welfare of the~~
25 ~~common interest community.])~~ *violation, except that a fine may not*
26 *be imposed for a violation that is the subject of a construction*
27 *penalty pursuant to section 1 of this act.* The fine must be
28 commensurate with the severity of the violation, but must not
29 exceed \$100 for each violation or a total amount of \$500, whichever
30 is less.

31 2. *The executive board may not impose a fine pursuant to*
32 *subsection 1 unless:*

33 (a) *Not less than 30 days before the violation, the person*
34 *against whom the fine will be imposed had been provided with*
35 *written notice of the applicable provisions of the governing*
36 *documents that form the basis of the violation; and*

37 (b) *Within a reasonable time after the discovery of the*
38 *violation, the person against whom the fine will be imposed has*
39 *been provided with:*

40 (1) *Written notice specifying the details of the violation, the*
41 *amount of the fine, and the date, time and location for a hearing*
42 *on the violation; and*

43 (2) *A reasonable opportunity to contest the violation at the*
44 *hearing.*



1 3. *The executive board must schedule the date, time and*
2 *location for the hearing on the violation so that the person against*
3 *whom the fine will be imposed is provided with a reasonable*
4 *opportunity to prepare for the hearing and to be present at the*
5 *hearing.*

6 4. *The executive board must hold a hearing before it may*
7 *impose the fine, unless the person against whom the fine will be*
8 *imposed:*

- 9 (a) *Pays the fine;*
- 10 (b) *Executes a written waiver of the right to the hearing; or*
- 11 (c) *Fails to appear at the hearing after being provided with*
12 *proper notice of the hearing.*

13 5. If a fine is imposed pursuant to subsection 1 and the
14 violation is not cured within 14 days , or ~~fa~~ *within any* longer
15 period ~~fas~~ *that* may be established by the executive board, the
16 violation shall be deemed a continuing violation. Thereafter, the
17 executive board may impose an additional fine for the violation for
18 each 7-day period or portion thereof that the violation is not cured.
19 Any additional fine may be imposed without notice and an
20 opportunity to be heard.

21 ~~{3. Except as otherwise provided in subsection 2, the~~
22 ~~imposition of a fine pursuant to this section must comply with the~~
23 ~~requirements of subsection 6 of NRS 116.31065.}~~

24 6. *If the governing documents so provide, the executive board*
25 *may appoint a committee, with not less than three members, to*
26 *conduct hearings on violations and to impose fines pursuant to*
27 *this section. While acting on behalf of the executive board for*
28 *those limited purposes, the committee and its members are entitled*
29 *to all privileges and immunities and are subject to all duties and*
30 *requirements of the executive board and its members.*

31 7. *The provisions of this section establish the minimum*
32 *procedural requirements that the executive board must follow*
33 *before it may impose a fine. The provisions of this section do not*
34 *preempt any provisions of the governing documents that provide*
35 *greater procedural protections.*

36 **Sec. 5.** NRS 116.31065 is hereby amended to read as follows:
37 116.31065 The rules adopted by an association:
38 1. Must be reasonably related to the purpose for which they are
39 adopted.
40 2. Must be sufficiently explicit in their prohibition, direction or
41 limitation to inform a ~~unit's owner, or a tenant or guest of a unit's~~
42 ~~owner,}~~ *person* of any action or omission required for compliance.
43 3. Must not be adopted to evade any obligation of the
44 association.



1 4. Must be consistent with the governing documents of the
2 association and must not arbitrarily restrict conduct or require the
3 construction of any capital improvement by a unit's owner that is
4 not required by the governing documents of the association.

5 5. Must be uniformly enforced under the same or similar
6 circumstances against all units' owners. Any rule that is not so
7 uniformly enforced may not be enforced against any unit's owner.

8 6. May be enforced by the ~~[assessment]~~ *association through*
9 *the imposition* of a fine only if ~~[-~~

10 ~~—(a) The person alleged to have violated the rule has received~~
11 ~~notice of the alleged violation that informs him of his opportunity to~~
12 ~~request a hearing on the alleged violation.~~

13 ~~—(b) At least 30 days before the alleged violation, the person~~
14 ~~alleged to have violated the rule was given written notice of the rule~~
15 ~~or any amendment to the rule.]~~ *the association complies with the*
16 *requirements set forth in NRS 116.31031.*

17 **Sec. 6.** NRS 116.3108 is hereby amended to read as follows:

18 116.3108 1. A meeting of the units' owners of an association
19 must be held at least once each year. If the governing documents of
20 a common-interest community do not designate an annual meeting
21 date of the units' owners, a meeting of the units' owners must be
22 held 1 year after the date of the last meeting of the units' owners. If
23 the units' owners have not held a meeting for 1 year, a meeting of
24 the units' owners must be held on the following March 1. Special
25 meetings of the units' owners of an association may be called by the
26 president, a majority of the executive board or by units' owners
27 having 10 percent, or any lower percentage specified in the bylaws,
28 of the votes in the association.

29 2. Not less than 10 nor more than 60 days in advance of any
30 meeting of the units' owners of an association, the secretary or other
31 officer specified in the bylaws shall cause notice of the meeting to
32 be hand-delivered, sent prepaid by United States mail to the mailing
33 address of each unit or to any other mailing address designated in
34 writing by the unit's owner or, if the association offers to send
35 notice by electronic mail, sent by electronic mail at the request of
36 the unit's owner to an electronic mail address designated in writing
37 by the unit's owner. The notice of the meeting must state the time
38 and place of the meeting and include a copy of the agenda for the
39 meeting. The notice must include notification of the right of a unit's
40 owner to:

41 (a) Have a copy of the minutes or a summary of the minutes of
42 the meeting ~~[distributed to him]~~ *provided to the unit's owner* upon
43 request and, if required by the executive board, upon payment to the
44 association of the cost of ~~[making the distribution.]~~ *providing the*
45 *copy to the unit's owner.*



1 (b) Speak to the association or executive board, unless the
2 executive board is meeting in executive session.

3 3. The agenda for a meeting of the units' owners must consist
4 of:

5 (a) A clear and complete statement of the topics scheduled to be
6 considered during the meeting, including, without limitation, any
7 proposed amendment to the declaration or bylaws, any fees or
8 assessments to be imposed or increased by the association, any
9 budgetary changes and any proposal to remove an officer *of the*
10 *association* or member of the executive board.

11 (b) A list describing the items on which action may be taken and
12 clearly denoting that action may be taken on those items. In an
13 emergency, the units' owners may take action on an item which is
14 not listed on the agenda as an item on which action may be taken.

15 (c) A period devoted to comments by units' owners and
16 discussion of those comments. Except in emergencies, no action
17 may be taken upon a matter raised under this item of the agenda
18 until the matter itself has been specifically included on an agenda as
19 an item upon which action may be taken pursuant to paragraph (b).

20 4. If the association adopts a policy imposing ~~[a fine on a unit's~~
21 ~~owner for the violation of the declaration, bylaws or other rules~~
22 ~~established by]~~ *fin*es for any violations of the governing documents
23 of the association, the secretary or other officer specified in the
24 bylaws shall prepare and cause to be hand-delivered or sent prepaid
25 by United States mail to the mailing address of each unit or to any
26 other mailing address designated in writing by the unit's owner, a
27 schedule of the fines that may be imposed for those violations.

28 5. Not more than 30 days after any meeting of the units'
29 owners, the secretary or other officer specified in the bylaws shall
30 cause the minutes or a summary of the minutes of the meeting to be
31 made available to the units' owners. A copy of the minutes or a
32 summary of the minutes must be provided to any unit's owner who
33 pays the association the cost of providing the copy to him.

34 6. As used in this section, "emergency" means any occurrence
35 or combination of occurrences that:

36 (a) Could not have been reasonably foreseen;

37 (b) Affects the health, welfare and safety of the units' owners of
38 the association;

39 (c) Requires the immediate attention of, and possible action by,
40 the executive board; and

41 (d) Makes it impracticable to comply with the provisions of
42 subsection 2 or 3.

43 **Sec. 7.** NRS 116.31085 is hereby amended to read as follows:

44 116.31085 1. Except as otherwise provided in this section, a
45 unit's owner may attend any meeting of the units' owners of the



1 association or of the executive board and speak at any such meeting.
2 The executive board may establish reasonable limitations on the
3 time a unit's owner may speak at such a meeting.

4 2. An executive board may meet in executive session to:

5 (a) Consult with the attorney for the association on matters
6 relating to proposed or pending litigation if the contents of the
7 discussion would otherwise be governed by the privilege set forth in
8 NRS 49.035 to 49.115, inclusive;

9 (b) Discuss matters relating to personnel; ~~for~~

10 ~~—(c) Discuss~~

11 (c) *Except as otherwise provided in subsection 3, discuss* a
12 violation of the governing documents , ~~[alleged to have been~~
13 ~~committed by a unit's owner.]~~ including, without limitation, the
14 failure to pay an assessment ~~[, except as otherwise provided in~~
15 ~~subsection 3.] ; or~~

16 (d) *Discuss the alleged failure of a unit's owner to adhere to a*
17 *schedule required pursuant to section 1 of this act if the alleged*
18 *failure may subject the unit's owner to a construction penalty.*

19 3. An executive board shall meet in executive session to hold a
20 hearing on an alleged violation of the governing documents unless
21 the ~~[unit's owner who allegedly committed]~~ *person who may be*
22 *sanctioned for* the *alleged* violation requests in writing that the
23 hearing be conducted by the executive board at an open meeting.
24 The ~~[unit's owner who is alleged to have committed]~~ *person who*
25 *may be sanctioned for* the *alleged* violation ~~[may]~~ *is entitled to*
26 attend the hearing and testify concerning the alleged violation, but
27 *the person* may be excluded by the executive board from any other
28 portion of the hearing, including, without limitation, the
29 deliberations of the executive board.

30 4. Except as otherwise provided in this subsection, any matter
31 discussed *by the executive board when it meets* in executive session
32 must be generally noted in the minutes of the meeting of the
33 executive board. The executive board shall maintain minutes of any
34 decision made pursuant to subsection 3 *concerning an alleged*
35 *violation* and, upon request, provide a copy of the decision to the
36 ~~[unit's owner who was the subject of the hearing]~~ *person who was*
37 *subject to being sanctioned at the hearing* or to his designated
38 representative.

39 5. Except as otherwise provided in subsection 3, a unit's owner
40 is not entitled to attend or speak at a meeting of the executive board
41 held in executive session.

42 **Sec. 8.** NRS 116.3116 is hereby amended to read as follows:

43 116.3116 1. The association has a lien on a unit for any
44 *construction penalty that is imposed against the unit's owner*
45 *pursuant to section 1 of this act, any* assessment levied against that



1 unit or *any* fines imposed against the unit's owner from the time the
2 *construction penalty*, assessment or fine becomes due. Unless the
3 declaration otherwise provides, *any penalties*, fees, charges, late
4 charges, fines and interest charged pursuant to paragraphs (j) ~~(k)~~
5 ~~and (l)~~ *to (n), inclusive*, of subsection 1 of NRS 116.3102 are
6 enforceable as assessments under this section. If an assessment is
7 payable in installments, the full amount of the assessment is a lien
8 from the time the first installment thereof becomes due.

9 2. A lien under this section is prior to all other liens and
10 encumbrances on a unit except:

11 (a) Liens and encumbrances recorded before the recordation of
12 the declaration and, in a cooperative, liens and encumbrances which
13 the association creates, assumes or takes subject to;

14 (b) A first security interest on the unit recorded before the date
15 on which the assessment sought to be enforced became delinquent
16 ~~(j)~~ or, in a cooperative, the first security interest encumbering only
17 the unit's owner's interest and perfected before the date on which
18 the assessment sought to be enforced became delinquent; and

19 (c) Liens for real estate taxes and other governmental
20 assessments or charges against the unit or cooperative.

21 The lien is also prior to all security interests described in paragraph
22 (b) to the extent of the assessments for common expenses based on
23 the periodic budget adopted by the association pursuant to NRS
24 116.3115 which would have become due in the absence of
25 acceleration during the 6 months immediately preceding institution
26 of an action to enforce the lien. This subsection does not affect the
27 priority of mechanics' or materialmen's liens, or the priority of liens
28 for other assessments made by the association.

29 3. Unless the declaration otherwise provides, if two or more
30 associations have liens for assessments created at any time on the
31 same property, those liens have equal priority.

32 4. Recording of the declaration constitutes record notice and
33 perfection of the lien. No further recordation of any claim of lien for
34 assessment under this section is required.

35 5. A lien for unpaid assessments is extinguished unless
36 proceedings to enforce the lien are instituted within 3 years after the
37 full amount of the assessments becomes due.

38 6. This section does not prohibit actions to recover sums for
39 which subsection 1 creates a lien or prohibit an association from
40 taking a deed in lieu of foreclosure.

41 7. A judgment or decree in any action brought under this
42 section must include costs and reasonable attorney's fees for the
43 prevailing party.

44 8. The association, upon written request, shall furnish to a
45 unit's owner a statement setting forth the amount of unpaid



1 assessments against the unit. If the interest of the unit's owner is real
2 estate, the statement must be in recordable form. The statement must
3 be furnished within 10 business days after receipt of the request and
4 is binding on the association, the executive board and every unit's
5 owner.

6 9. In a cooperative, upon nonpayment of an assessment on a
7 unit, the unit's owner may be evicted in the same manner as
8 provided by law in the case of an unlawful holdover by a
9 commercial tenant, and the lien may be foreclosed as provided by
10 this section or by NRS 116.31162 to 116.31168, inclusive.

11 10. In a cooperative where the owner's interest in a unit is
12 personal property ~~{ under NRS 116.1105 , }~~ the association's
13 lien may be foreclosed ~~{ in like manner }~~ as a security interest under
14 NRS 104.9101 to 104.9709, inclusive.

15 **Sec. 9.** NRS 116.31162 is hereby amended to read as follows:
16 116.31162 1. Except as otherwise provided in subsection 4,
17 in a condominium, *in* a cooperative where the owner's interest in a
18 unit is real estate ~~{ as determined pursuant to }~~ *under* NRS 116.1105,
19 or *in* a planned community, the association may foreclose its lien by
20 sale after:

21 (a) The association has mailed by certified or registered mail,
22 return receipt requested, to the unit's owner or his successor in
23 interest, at his address if known ~~{ }~~ and at the address of the unit, a
24 notice of delinquent assessment which states the amount of the
25 assessments and other sums which are due in accordance with
26 subsection 1 of NRS 116.3116, a description of the unit against
27 which the lien is imposed ~~{ }~~ and the name of the record owner of
28 the unit;

29 (b) The association or other person conducting the sale has
30 executed and caused to be recorded, with the county recorder of the
31 county in which the common-interest community or any part of it is
32 situated, a notice of default and election to sell the unit to satisfy the
33 lien, which contains the same information as the notice of
34 delinquent assessment, but must also describe the deficiency in
35 payment and the name and address of the person authorized by the
36 association to enforce the lien by sale; and

37 (c) The unit's owner or his successor in interest has failed to pay
38 the amount of the lien, including costs, fees and expenses incident to
39 its enforcement, for 60 days following the recording of the notice of
40 default and election to sell.

41 2. The notice of default and election to sell must be signed by
42 the person designated in the declaration or by the association for that
43 purpose ~~{ }~~ or , if no one is designated, by the president of the
44 association.



1 3. The period of 60 days begins on the first day following the
2 later of:
3 (a) The day on which the notice of default is recorded; or
4 (b) The day on which a copy of the notice of default is mailed
5 by certified or registered mail, return receipt requested, to the unit's
6 owner or his successor in interest at his address , if known, and at
7 the address of the unit.
8 4. The association may not foreclose a lien by sale ~~for the~~
9 ~~assessment of~~ *based on* a fine *or penalty* for a violation of the
10 ~~declaration, bylaws, rules or regulations~~ *governing documents* of
11 the association ~~[, unless the violation is of a type that threatens]~~
12 *unless:*
13 (a) *The violation threatens* the health, safety or welfare of the
14 residents of the common-interest community ~~[]~~; *or*
15 (b) *The penalty is imposed for failure to adhere to a schedule*
16 *required pursuant to section 1 of this act.*
17 **Sec. 10.** NRS 38.300 is hereby amended to read as follows:
18 38.300 As used in NRS 38.300 to 38.360, inclusive, unless the
19 context otherwise requires:
20 1. "Assessments" means:
21 (a) Any charge which an association may impose against an
22 owner of residential property pursuant to a declaration of covenants,
23 conditions and restrictions, including any late charges, interest and
24 costs of collecting the charges; and
25 (b) Any *penalties*, fines, fees and other charges which may be
26 imposed by an association pursuant to paragraphs (j) ~~[(k) and (l)]~~
27 *to (n), inclusive*, of subsection 1 of NRS 116.3102.
28 2. "Association" has the meaning ascribed to it in
29 NRS 116.110315.
30 3. "Civil action" includes an action for money damages or
31 equitable relief. The term does not include an action in equity for
32 injunctive relief in which there is an immediate threat of irreparable
33 harm, or an action relating to the title to residential property.
34 4. "Division" means the Real Estate Division of the
35 Department of Business and Industry.
36 5. "Residential property" includes, but is not limited to, real
37 estate within a planned community subject to the provisions of
38 chapter 116 of NRS. The term does not include commercial property
39 if no portion thereof contains property which is used for residential
40 purposes.
41 **Sec. 11.** 1. The amendatory provisions of this act apply to
42 any violation of the governing documents of an association or
43 master association that occurs on or after October 1, 2003.



1 2. Notwithstanding any other law to the contrary, if the
2 provisions of the governing documents of an association or master
3 association do not conform to the amendatory provisions of this act:

4 (a) The nonconforming provisions of the governing documents
5 shall be deemed to have been conformed to the amendatory
6 provisions of this act by operation of law on October 1, 2003; and

7 (b) If the association or master association is associated with a
8 common-interest community that was created on or after January 1,
9 1992, the executive board of the association or master association
10 may change the nonconforming provisions of the governing
11 documents to conform to the amendatory provisions of this act. The
12 executive board of the association or master association may make
13 such changes without complying with any procedural requirements
14 that would otherwise apply if the executive board were to amend the
15 governing documents of the association or master association in
16 accordance with law.

17 3. As used in this section:

18 (a) "Association" has the meaning ascribed to it in
19 NRS 116.110315.

20 (b) "Common-interest community" has the meaning ascribed to
21 it in NRS 116.110323.

22 (c) "Executive board" has the meaning ascribed to it in
23 NRS 116.110345.

24 (d) "Governing documents" has the meaning ascribed to it in
25 NRS 116.110347.

26 (e) "Master association" has the meaning ascribed to it in
27 NRS 116.110358.

