

ASSEMBLY BILL NO. 295—ASSEMBLYWOMAN HANSEN

MARCH 16, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing common-interest communities. (BDR 10-994)

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 provisions relating to the maintenance and availability of books, records and other papers of a unit-owners' association; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires the executive board of a unit-owners' association to make
2 available for review the books, records and other papers of the association,
3 including, without limitation: (1) the financial statement of the association; (2) the
4 budgets of the association; (3) the study of the reserves of the association; and (4)
5 all contracts to which the association is a party and all records filed with a court
6 relating to a civil or criminal action to which the association is a party. Existing law
7 also requires the executive board, upon written request, to provide copies of the
8 financial statement, budgets and study of the reserves in electronic format, at no
9 charge. If the association is unable to provide the records in electronic format, the
10 executive board is authorized to charge a fee to cover the actual costs of preparing a
11 copy, but the fee may not exceed 25 cents per page for the first 10 pages, and 10
12 cents per page thereafter. If the board fails to provide a copy of any of the requested
13 records within 21 days, the executive board must pay a penalty of \$25 for each day
14 the executive board fails to provide the records. (NRS 116.31175) **Section 1** of this
15 bill adds to the list of records that must be provided to a unit's owner in electronic
16 format, if the association is able to do so, all contracts to which the association is a
17 party and all records filed with a court relating to a civil or criminal action to which
18 the association is a party.

19 Existing law also: (1) requires an association to keep financial records
20 sufficiently detailed to comply with the requirements for disclosures in a resale
21 package; and (2) provides that all financial and other records of the association
22 must be maintained and made available for review at the business office of the
23 association or another suitable location and made reasonably available for any
24 unit's owner and his or her authorized agents to inspect, examine, photocopy and



25 audit. (NRS 116.3118) **Section 2** of this bill requires that, upon written request,
26 such records must be provided in electronic format at no charge to a unit's owner.
27 If the association is unable to provide the records in electronic format, **section 2**
28 authorizes the executive board to charge a fee to cover the actual costs of preparing
29 a copy, but the fee may not exceed 25 cents per page for the first 10 pages, and 10
30 cents per page thereafter. **Section 2** also provides that if the board fails to provide a
31 copy of any of the requested records within 21 days, the executive board must pay a
32 penalty of \$25 for each day the executive board fails to provide the records.

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

1 **Section 1.** NRS 116.31175 is hereby amended to read as
2 follows:

3 116.31175 1. Except as otherwise provided in subsection 4,
4 the executive board of an association shall, upon the written request
5 of a unit's owner, make available the books, records and other
6 papers of the association for review at the business office of the
7 association or a designated business location not to exceed 60 miles
8 from the physical location of the common-interest community and
9 during the regular working hours of the association, including,
10 without limitation:

- 11 (a) The financial statement of the association;
- 12 (b) The budgets of the association required to be prepared
13 pursuant to NRS 116.31151;
- 14 (c) The study of the reserves of the association required to be
15 conducted pursuant to NRS 116.31152; and
- 16 (d) All contracts to which the association is a party and all
17 records filed with a court relating to a civil or criminal action to
18 which the association is a party.

19 2. The executive board shall provide a copy of any of the
20 records described in paragraphs ~~[(a), (b) and (c)]~~ **(a) to (d),**
21 **inclusive,** of subsection 1 to a unit's owner or the Ombudsman
22 within 21 days after receiving a written request therefor. Such
23 records must be provided in electronic format at no charge to the
24 unit's owner or, if the association is unable to provide the records in
25 electronic format, the executive board may charge a fee to cover the
26 actual costs of preparing a copy, but the fee may not exceed 25 cents
27 per page for the first 10 pages, and 10 cents per page thereafter.

28 3. If the executive board fails to provide a copy of any of the
29 records pursuant to subsection 2 within 21 days, the executive board
30 must pay a penalty of \$25 for each day the executive board fails to
31 provide the records.

32 4. The provisions of subsection 1 do not apply to:



1 (a) The personnel records of the employees of the association,
2 except for those records relating to the number of hours worked and
3 the salaries and benefits of those employees;

4 (b) The records of the association relating to another unit's
5 owner, including, without limitation, any architectural plan or
6 specification submitted by a unit's owner to the association during
7 an approval process required by the governing documents, except
8 for those records described in subsection 5; and

9 (c) Any document, including, without limitation, minutes of an
10 executive board meeting, a reserve study and a budget, if the
11 document:

12 (1) Is in the process of being developed for final
13 consideration by the executive board; and

14 (2) Has not been placed on an agenda for final approval by
15 the executive board.

16 5. The executive board of an association shall maintain a
17 general record concerning each violation of the governing
18 documents, other than a violation involving a failure to pay an
19 assessment, for which the executive board has imposed a fine, a
20 construction penalty or any other sanction. The general record:

21 (a) Must contain a general description of the nature of the
22 violation and the type of the sanction imposed. If the sanction
23 imposed was a fine or construction penalty, the general record must
24 specify the amount of the fine or construction penalty.

25 (b) Must not contain the name or address of the person against
26 whom the sanction was imposed or any other personal information
27 which may be used to identify the person or the location of the unit,
28 if any, that is associated with the violation.

29 (c) Must be maintained in an organized and convenient filing
30 system or data system that allows a unit's owner to search and
31 review the general records concerning violations of the governing
32 documents.

33 6. If the executive board refuses to allow a unit's owner to
34 review the books, records or other papers of the association, the
35 Ombudsman may:

36 (a) On behalf of the unit's owner and upon written request,
37 review the books, records or other papers of the association during
38 the regular working hours of the association; and

39 (b) If the Ombudsman is denied access to the books, records or
40 other papers, request the Commission, or any member thereof acting
41 on behalf of the Commission, to issue a subpoena for their
42 production.

43 7. The books, records and other papers of an association must
44 be maintained for at least 10 years. The provisions of this subsection
45 do not apply to:



1 (a) The minutes of a meeting of the units' owners which must be
2 maintained in accordance with NRS 116.3108; or

3 (b) The minutes of a meeting of the executive board which must
4 be maintained in accordance with NRS 116.31083.

5 8. The executive board shall not require a unit's owner to pay
6 an amount in excess of \$10 per hour to review any books, records,
7 contracts or other papers of the association pursuant to the
8 provisions of subsection 1.

9 **Sec. 2.** NRS 116.3118 is hereby amended to read as follows:

10 116.3118 1. The association shall keep financial records
11 sufficiently detailed to enable the association to comply with
12 NRS 116.4109.

13 2. All financial and other records of the association must be:

14 (a) Maintained and made available for review at the business
15 office of the association or some other suitable location within the
16 county where the common-interest community is situated or, if it is
17 situated in more than one county, within one of those counties; ~~and~~

18 (b) ~~Made~~ *Upon the written request of a unit's owner, made*
19 *reasonably available for ~~any~~ the unit's owner and his or her*
20 *authorized agents to inspect, examine, photocopy and audit ~~[-]~~; and*

21 *(c) Upon the written request of a unit's owner, provided in*
22 *electronic format at no charge to the unit's owner or, if the*
23 *association is unable to provide the records in electronic format,*
24 *the executive board may charge a fee to cover the actual costs of*
25 *preparing a copy, but the fee may not exceed 25 cents per page for*
26 *the first 10 pages, and 10 cents per page thereafter.*

27 3. *If the executive board fails to provide a copy of any of the*
28 *records pursuant to subsection 2 within 21 days, the executive*
29 *board must pay a penalty of \$25 for each day the executive board*
30 *fails to provide the records.*

31 **Sec. 3.** This act becomes effective on July 1, 2021.

