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FIRST REPRINT

A.B. 309

ASSEMBLY BILL NO. 309—ASSEMBLYWOMAN HANSEN

MARCH 15, 2023

Referred to Committee on Judiciary

SUMMARY—Revises various provisions governing common-interest communities and condominium hotels. (BDR 10-960)

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

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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 rights; authorizing the use of electronic ballots for the election and removal of members of the executive board of a unit-owners' association of a common-interest community and for the election of delegates or representatives to exercise the voting rights of units' owners in an association; authorizing a member of the executive board who is subject to removal to submit a written request for a meeting of the executive board to discuss the member's removal; revising requirements concerning the provision of certain notices by an association; specifying that an association is authorized to conduct a vote for the election or removal of a member of the executive board without a meeting; authorizing an association that conducts a vote without a meeting to allow the units' owners to vote by using a voting machine; establishing requirements relating to the use of electronic voting for the election or removal of a member of the executive board without a meeting; authorizing money in the operating account of an association to be withdrawn without the usual required signatures for the purpose of making certain automatic and annual payments; requiring the Commission for Common-Interest Communities and Condominium Hotels to adopt regulations establishing the requirements relating to the transfer of certain items upon the termination or assignment of a management agreement; and providing other matters properly relating thereto.



**Legislative Counsel's Digest:**

1 Existing law: (1) establishes the procedures for the election and removal of  
2 members of the executive board of a unit-owners' association of a common-interest  
3 community and the election of delegates or representatives to exercise the voting  
4 rights of units' owners in certain common-interest communities; and (2) requires  
5 that the election and removal of such members, as applicable, be conducted by  
6 secret written ballot. (NRS 116.31034, 116.31036, 116.31105) **Sections 1 and 2** of  
7 this bill, respectively, authorize the use of secret electronic ballots for the election  
8 or removal of any member of the executive board and require that the results of  
9 such ballots be reviewed, announced and entered into the record at a meeting of the  
10 association. **Section 4** of this bill makes conforming changes to provide the same  
11 authority and impose the same requirement with regard to the election of delegates  
12 or representatives to exercise the voting rights of units' owners. **Section 2**  
13 additionally provides that, with regard to the removal of a member of the executive  
14 board that will be voted on by secret ballot, the member who is the subject of the  
15 removal may submit a written request for a meeting of the executive board, which  
16 must occur before the meeting scheduled for a vote on the member's removal, at  
17 which the removal will be discussed as an agenda item. **Section 2** requires notice of  
18 such a requested meeting to be given to the units' owners not later than 5 days after  
19 receipt of the written request.

20 Existing law requires, in general, any notice required to be given to a unit's  
21 owner by an association and any communication from or other information  
22 provided by the association to be delivered to the mailing or electronic mail address  
23 designated by the unit's owner, unless the unit's owner has opted out of receiving  
24 electronic communications or has not designated an electronic mail address. (NRS  
25 116.31068) **Section 2.5** of this bill eliminates such requirements for notice with  
26 respect to communications from and other information provided by the association  
27 and instead requires, with certain exceptions, such notices to be delivered to the  
28 electronic mail address that a unit's owner designates. **Section 2.5** sets forth the  
29 manner in which an association is required to deliver such notices to a unit's owner  
30 who has opted out of receiving electronic notices or who has not designated an  
31 electronic mail address at which to receive notices.

32 Existing law authorizes an association to conduct a vote without a meeting  
33 unless conducting a vote in such a manner is prohibited or limited by the  
34 declaration or bylaws of the association. (NRS 116.311) **Section 3** of this bill  
35 removes such an exception and specifies that an association is authorized to  
36 conduct a vote for the election or removal of a member of the executive board  
37 without a meeting.

38 **Section 3** authorizes an association that conducts a vote without a meeting to  
39 allow the units' owners to vote by using a voting machine that meets certain  
40 requirements. **Section 3** also provides that if an association conducts a vote for the  
41 election or removal of a member of the executive board without a meeting and the  
42 executive board chooses to use electronic voting: (1) the association is required to  
43 send, within a certain time period, a paper ballot and a return envelope, prepaid by  
44 United States mail, to any unit's owner who has opted out of receiving electronic  
45 notices pursuant to **section 2.5**; (2) the association is required to send, within a  
46 certain time period, an electronic ballot to any unit's owner who has designated an  
47 electronic mail address at which to receive notices pursuant to **section 2.5**; (3) if the  
48 association allows units' owners to vote by using a voting machine, the association  
49 is required to provide to a unit's owner the opportunity to opt out of voting by using  
50 a voting machine and instead receive a paper ballot; (4) a meeting of the units'  
51 owners must be held to open and count the paper ballots and review and announce  
52 the results obtained from the electronic ballots or voting machine and enter the  
53 results into the meeting record; and (5) any electronic voting must be conducted by  
54 an independent third-party who meets certain requirements.



55 Existing law generally prohibits money in the operating account of an  
56 association from being withdrawn without the signatures of certain persons, but  
57 also establishes certain purposes for which money in the operating account may be  
58 withdrawn without such signatures. (NRS 116.31153) **Section 5** of this bill  
59 additionally provides that money in the operating account of an association may be  
60 withdrawn without the usual required signatures for the purpose of making: (1)  
61 automatic payments for the cost of certain insurance policies, telecommunications  
62 services maintained by the association and services to the association that are billed  
63 on a monthly, quarterly or annual basis; and (2) annual payments to the Office of  
64 Ombudsman.

65 Existing law imposes certain requirements on community managers regarding  
66 the transfer of the possession of all books, records and other papers of a client upon  
67 the termination or assignment of a management agreement. (NRS 116A.620)  
68 **Section 6** of this bill instead requires the Commission for Common-Interest  
69 Communities and Condominium Hotels to adopt regulations establishing the  
70 requirements relating to such a transfer. **Section 7** of this bill makes a conforming  
71 change to remove the provisions of existing law relating to such a transfer when the  
72 Commission has adopted the regulations required by **section 6**.

73 **Sections 8, 9, 9.5 and 10** of this bill generally replicate the changes made by  
74 **sections 1, 2, 2.5 and 3** in the corresponding provisions of law that apply to  
75 condominium hotels. **Section 11** of this bill replicates the existing provisions of and  
76 changes made to **section 5** and applies such provisions to condominium hotels.

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

1 **Section 1.** NRS 116.31034 is hereby amended to read as  
2 follows:

3 116.31034 1. Except as otherwise provided in subsection 5 of  
4 NRS 116.212, not later than the termination of any period of  
5 declarant's control, the units' owners shall elect an executive board  
6 of at least three members, all of whom must be units' owners. The  
7 executive board shall elect the officers of the association. Unless  
8 the governing documents provide otherwise, the officers of the  
9 association are not required to be units' owners. The members of the  
10 executive board and the officers of the association shall take office  
11 upon election.

12 2. The term of office of a member of the executive board may  
13 not exceed 3 years, except for members who are appointed by the  
14 declarant. Unless the governing documents provide otherwise, there  
15 is no limitation on the number of terms that a person may serve as a  
16 member of the executive board.

17 3. The governing documents of the association must provide  
18 for terms of office that are staggered in such a manner that, to the  
19 extent possible, an equal number of members of the executive board  
20 are elected at each election. The provisions of this subsection do not  
21 apply to:



1 (a) Members of the executive board who are appointed by the  
2 declarant; and

3 (b) Members of the executive board who serve a term of 1 year  
4 or less.

5 4. Not less than 30 days before the preparation of a ballot for  
6 the election of members of the executive board, the secretary or  
7 other officer specified in the bylaws of the association shall cause  
8 notice to be given to each unit's owner of the unit's owner's  
9 eligibility to serve as a member of the executive board. Each unit's  
10 owner who is qualified to serve as a member of the executive board  
11 may have his or her name placed on the ballot along with the names  
12 of the nominees selected by the members of the executive board or a  
13 nominating committee established by the association.

14 5. Before the secretary or other officer specified in the bylaws  
15 of the association causes notice to be given to each unit's owner of  
16 his or her eligibility to serve as a member of the executive board  
17 pursuant to subsection 4, the executive board may determine that if,  
18 at the closing of the prescribed period for nominations for  
19 membership on the executive board, the number of candidates  
20 nominated for membership on the executive board is equal to or less  
21 than the number of members to be elected to the executive board at  
22 the election, then:

23 (a) The association will not prepare or [mail] *provide* any ballots  
24 to units' owners pursuant to this section; and

25 (b) The nominated candidates shall be deemed to be duly elected  
26 to the executive board at the meeting of the units' owners at which  
27 the ballots would have been counted pursuant to paragraph (e) of  
28 subsection 15.

29 6. If the executive board makes the determination set forth in  
30 subsection 5, the secretary or other officer specified in the bylaws of  
31 the association shall disclose the determination and the provisions of  
32 subsection 5 with the notice given pursuant to subsection 4.

33 7. If, at the closing of the prescribed period for nominations for  
34 membership on the executive board, the number of candidates  
35 nominated for membership on the executive board is less than  
36 the number of members to be elected to the executive board at the  
37 election, the executive board may fill the remaining vacancies on the  
38 executive board by appointment of the executive board at a meeting  
39 of the executive board held after the candidates are elected pursuant  
40 to subsection 5. Any such person appointed to the executive board  
41 shall serve as a member of the executive board until the next  
42 regularly scheduled election of members of the executive board. An  
43 executive board member elected to a previously appointed position  
44 which was temporarily filled by board appointment pursuant to this  
45 subsection may only be elected to fulfill the remainder of that term.



1 8. If, at the closing of the prescribed period for nominations for  
2 membership on the executive board described in subsection 5, the  
3 number of candidates nominated for membership on the executive  
4 board is greater than the number of members to be elected to the  
5 executive board, then the association shall:

6 (a) Prepare and ~~mail~~ *provide* ballots to the units' owners  
7 pursuant to this section; and

8 (b) Conduct an election for membership on the executive board  
9 pursuant to this section.

10 9. Each person who is nominated as a candidate for  
11 membership on the executive board pursuant to subsection 4 must:

12 (a) Make a good faith effort to disclose any financial, business,  
13 professional or personal relationship or interest that would result or  
14 would appear to a reasonable person to result in a potential conflict  
15 of interest for the candidate if the candidate were to be elected to  
16 serve as a member of the executive board; and

17 (b) Disclose whether the candidate is a member in good  
18 standing. For the purposes of this paragraph, a candidate shall not be  
19 deemed to be in "good standing" if the candidate has any unpaid and  
20 past due assessments or construction penalties that are required to be  
21 paid to the association.

22 ↪ The candidate must make all disclosures required pursuant to this  
23 subsection in writing to the association with his or her candidacy  
24 information. Except as otherwise provided in this subsection, the  
25 association shall distribute the disclosures, on behalf of the  
26 candidate, to each member of the association with the ballot or, in  
27 the event ballots are not prepared and ~~mailed~~ *provided* pursuant to  
28 subsection 5, in the next regular mailing of the association. The  
29 association is not obligated to distribute any disclosure pursuant to  
30 this subsection if the disclosure contains information that is believed  
31 to be defamatory, libelous or profane.

32 10. Except as otherwise provided in subsections 11 and 12,  
33 unless a person is appointed by the declarant:

34 (a) A person may not be a candidate for or member of the  
35 executive board or an officer of the association if:

36 (1) The person resides in a unit with, is married to, is  
37 domestic partners with, or is related by blood, adoption or marriage  
38 within the third degree of consanguinity or affinity to another person  
39 who is also a member of the executive board or is an officer of the  
40 association;

41 (2) The person stands to gain any personal profit or  
42 compensation of any kind from a matter before the executive board  
43 of the association; or



1 (3) The person, the person's spouse or the person's parent or  
2 child, by blood, marriage or adoption, performs the duties of a  
3 community manager for that association.

4 (b) A person may not be a candidate for or member of the  
5 executive board of a master association or an officer of that master  
6 association if the person, the person's spouse or the person's parent  
7 or child, by blood, marriage or adoption, performs the duties of a  
8 community manager for:

9 (1) That master association; or

10 (2) Any association that is subject to the governing  
11 documents of that master association.

12 11. A person, other than a person appointed by the declarant,  
13 who owns 75 percent or more of the units in an association may:

14 (a) Be a candidate for or member of the executive board or an  
15 officer of the association; and

16 (b) Reside in a unit with, be married to, be domestic partners  
17 with, or be related by blood, adoption or marriage within the third  
18 degree of consanguinity or affinity to another person who is also a  
19 member of the executive board or is an officer of the association,

20 ↪ unless the person owning 75 percent or more of the units in the  
21 association and the other person would constitute a majority of the  
22 total number of seats on the executive board.

23 12. A person, other than a person appointed by the declarant,  
24 may:

25 (a) Be a candidate for or member of the executive board; and

26 (b) Reside in a unit with, be married to, be domestic partners  
27 with, or be related by blood, adoption or marriage within the third  
28 degree of consanguinity or affinity to another person who is also a  
29 member of the executive board or is an officer of the association,

30 ↪ if the number of candidates nominated for membership on the  
31 executive board is less than or equal to the number of members to be  
32 elected to the executive board.

33 13. If a person is not eligible to be a candidate for or member  
34 of the executive board or an officer of the association pursuant to  
35 any provision of this chapter, the association:

36 (a) Must not place his or her name on the ballot; and

37 (b) Must prohibit such a person from serving as a member of the  
38 executive board or an officer of the association.

39 14. An officer, employee, agent or director of a corporate  
40 owner of a unit, a trustee or designated beneficiary of a trust that  
41 owns a unit, a partner of a partnership that owns a unit, a member or  
42 manager of a limited-liability company that owns a unit, and a  
43 fiduciary of an estate that owns a unit may be an officer of the  
44 association or a member of the executive board. In all events where  
45 the person serving or offering to serve as an officer of the



1 association or a member of the executive board is not the record  
2 owner, the person shall file proof in the records of the association  
3 that:

4 (a) The person is associated with the corporate owner, trust,  
5 partnership, limited-liability company or estate as required by this  
6 subsection; and

7 (b) Identifies the unit or units owned by the corporate owner,  
8 trust, partnership, limited-liability company or estate.

9 15. Except as otherwise provided in subsection 5 or NRS  
10 **116.311 or** 116.31105, the election of any member of the executive  
11 board must be conducted by secret ~~{written}~~ ballot in the following  
12 manner:

13 (a) The secretary or other officer specified in the bylaws of the  
14 association shall cause a secret *paper or electronic* ballot *to be*  
15 *provided to each unit's owner* and :

16 (1) *If a paper ballot is provided, shall send the ballot and* a  
17 return envelope , ~~{to be sent,}~~ prepaid by United States mail, to the  
18 mailing address of each unit within the common-interest community  
19 or to any other mailing address designated in writing by the unit's  
20 owner ~~{}~~; *or*

21 (2) *If an electronic ballot is provided, shall provide the*  
22 *ballot or make the ballot available by electronic means to each*  
23 *unit's owner.*

24 (b) Each unit's owner must be provided with at least 15 days  
25 after the date the secret ~~{written}~~ ballot is mailed , *provided or made*  
26 *available* to the unit's owner to return the secret ~~{written}~~ ballot to  
27 the association ~~{}~~ *by physical or electronic means.*

28 (c) A quorum is not required for the election of any member of  
29 the executive board.

30 (d) Only the secret ~~{written}~~ ballots that ~~{are returned to}~~ the  
31 association *receives by physical or electronic means* may be  
32 counted to determine the outcome of the election.

33 (e) ~~{The secret written ballots must be opened and counted at}~~ *At*  
34 *the meeting of the units' owners held pursuant to subsection 1 of*  
35 *NRS 116.3108 {} , the secret ballots physically received by the*  
36 *association must be opened and counted and the results of the*  
37 *secret ballots received by the association by electronic means must*  
38 *be reviewed, announced and entered into the record.* A quorum is  
39 not required to be present when the secret ~~{written}~~ ballots  
40 *physically received by the association* are opened and counted *or*  
41 *the results of the secret ballots received by the association by*  
42 *electronic means are reviewed, announced and entered into the*  
43 *record* at the meeting.

44 (f) The incumbent members of the executive board and each  
45 person whose name is placed on the ballot as a candidate for



1 membership on the executive board may not possess, be given  
2 access to or participate in the opening or counting of the secret  
3 ~~[written]~~ ballots that ~~[are returned to]~~ the association *physically*  
4 *receives, or the collection of data regarding the secret ballots that*  
5 *the association receives by electronic means,* before those secret  
6 ~~[written]~~ ballots have been opened and counted *or reviewed,*  
7 *announced and entered into the record, as applicable,* at a meeting  
8 of the association.

9 16. An association shall not adopt any rule or regulation that  
10 has the effect of prohibiting or unreasonably interfering with a  
11 candidate in the candidate's campaign for election as a member of  
12 the executive board, except that the candidate's campaign may be  
13 limited to 90 days before the date that ballots are required to be  
14 returned to the association.

15 17. A candidate who has submitted a nomination form for  
16 election as a member of the executive board may request that the  
17 association or its agent either:

18 (a) Send before the date of the election and at the association's  
19 expense, to the mailing address of each unit within the common-  
20 interest community or to any other mailing address designated in  
21 writing by the unit's owner a candidate informational statement. The  
22 candidate informational statement:

23 (1) Must be no longer than a single, typed page;  
24 (2) Must not contain any defamatory, libelous or profane  
25 information; and

26 (3) May be sent with ~~[the]~~ a secret ballot mailed pursuant to  
27 subsection 15 or in a separate mailing; or

28 (b) To allow the candidate to communicate campaign material  
29 directly to the units' owners, provide to the candidate, in paper  
30 format at a cost not to exceed 25 cents per page for the first 10 pages  
31 and 10 cents per page thereafter, in the format of a compact disc at a  
32 cost of not more than \$5 or by electronic mail at no cost:

33 (1) A list of the mailing address of each unit, which must not  
34 include the names of the units' owners or the name of any tenant of  
35 a unit's owner; or

36 (2) If the members of the association are owners of time  
37 shares within a time share plan created pursuant to chapter 119A of  
38 NRS and:

39 (I) The voting rights of those owners are exercised by  
40 delegates or representatives pursuant to NRS 116.31105, the mailing  
41 address of the delegates or representatives.

42 (II) The voting rights of those owners are not exercised by  
43 delegates or representatives, the mailing address of the association  
44 established pursuant to NRS 119A.520. If the mailing address of the  
45 association is provided to the candidate pursuant to this sub-





1 subparagraph, the association must send to each owner of a time  
2 share within the time share plan the campaign material provided by  
3 the candidate. If the campaign material will be sent by mail, the  
4 candidate who provides the campaign material must provide to the  
5 association a separate copy of the campaign material for each owner  
6 and must pay the actual costs of mailing before the campaign  
7 material is mailed. If the campaign material will be sent by  
8 electronic transmission, the candidate must provide to the  
9 association one copy of the campaign material in an electronic  
10 format.

11 ➤ The information provided pursuant to this paragraph must not  
12 include the name of any unit's owner or any tenant of a unit's  
13 owner. If a candidate who makes a request for the information  
14 described in this paragraph fails or refuses to provide a written  
15 statement signed by the candidate which states that the candidate is  
16 making the request to allow the candidate to communicate campaign  
17 material directly to units' owners and that the candidate will not use  
18 the information for any other purpose, the association or its agent  
19 may refuse the request.

20 18. An association and its directors, officers, employees and  
21 agents are immune from criminal or civil liability for any act or  
22 omission which arises out of the publication or disclosure of any  
23 information related to any person and which occurs in the course of  
24 carrying out any duties required pursuant to subsection 17.

25 19. Each member of the executive board shall, within 90 days  
26 after his or her appointment or election, certify in writing to  
27 the association, on a form prescribed by the Administrator, that the  
28 member has read and understands the governing documents of the  
29 association and the provisions of this chapter to the best of his or her  
30 ability. The Administrator may require the association to submit a  
31 copy of the certification of each member of the executive board of  
32 that association at the time the association registers with the  
33 Ombudsman pursuant to NRS 116.31158.

34 **Sec. 2.** NRS 116.31036 is hereby amended to read as follows:

35 116.31036 1. Notwithstanding any provision of the  
36 declaration or bylaws to the contrary, any member of the executive  
37 board, other than a member appointed by the declarant, may be  
38 removed from the executive board, with or without cause, if at a  
39 removal election held pursuant to this section, the number of votes  
40 cast in favor of removal constitutes:

41 (a) At least 35 percent of the total number of voting members of  
42 the association; and

43 (b) At least a majority of all votes cast in that removal election.

44 2. A removal election may be called by units' owners  
45 constituting at least 10 percent, or any lower percentage specified in



1 the bylaws, of the total number of voting members of the  
2 association. To call a removal election, the units' owners must  
3 submit a written petition which is signed by the required percentage  
4 of the total number of voting members of the association pursuant to  
5 this subsection and which is mailed, return receipt requested, or  
6 served by a process server to the executive board or the community  
7 manager for the association. If a removal election is called pursuant  
8 to this subsection and:

9 (a) The voting rights of the units' owners will be exercised  
10 through the use of secret ~~{written}~~ ballots pursuant to this section:

11 (1) The secret ~~{written}~~ ballots for the removal election must  
12 be ~~{sent}~~ *mailed, provided or made available* in the manner required  
13 by this section not less than 15 days or more than 60 days after the  
14 date on which the petition is received. ~~{;and}~~

15 (2) The executive board shall set the date for the meeting to  
16 open and count the secret ~~{written}~~ ballots *physically received by*  
17 *the association and to review, announce and enter into the record*  
18 *the results of the secret ballots received by the association by*  
19 *electronic means* so that the meeting is held not more than 15 days  
20 after the deadline for returning the secret ~~{written}~~ ballots *by*  
21 *physical or electronic means* and not later than 90 days after the  
22 date on which the petition was received.

23 (3) *Upon written request submitted to the community*  
24 *manager, president or secretary of the association by a member of*  
25 *the executive board who is the subject of the removal election, the*  
26 *secretary or other officer specified in the bylaws of the association*  
27 *shall cause notice of a meeting of the executive board to be given*  
28 *to the units' owners not later than 5 days after receipt of the*  
29 *written request. The notice must include the date, time and*  
30 *location of the meeting, as requested by the member of the*  
31 *executive board who is the subject of the removal election, and*  
32 *identify the removal of the member from the executive board as an*  
33 *agenda item listed for discussion. A meeting requested pursuant to*  
34 *this subparagraph must occur before the date for the meeting set*  
35 *by the executive board pursuant to subparagraph (2).*

36 (b) The voting rights of the owners of time shares will be  
37 exercised by delegates or representatives as set forth in NRS  
38 116.31105, the executive board shall set the date for the removal  
39 election so that the removal election is held not less than 15 days or  
40 more than 90 days after the date on which the petition is received.

41 ➔ The association shall not adopt any rule or regulation which  
42 prevents or unreasonably interferes with the collection of the  
43 required percentage of signatures for a petition pursuant to this  
44 subsection.



1 3. Except as otherwise provided in NRS *116.311 or* 116.31105,  
2 the removal of any member of the executive board must be  
3 conducted by secret ~~[written]~~ ballot in the following manner:

4 (a) The secretary or other officer specified in the bylaws of the  
5 association shall cause a secret *paper or electronic* ballot *to be*  
6 *provided to each unit's owner* and :

7 (1) *If a paper ballot is provided, shall send the ballot and a*  
8 *return envelope , ~~[to be sent,]~~ prepaid by United States mail, to the*  
9 *mailing address of each unit within the common-interest community*  
10 *or to any other mailing address designated in writing by the unit's*  
11 *owner ~~[ ]~~; or*

12 (2) *If an electronic ballot is provided, shall provide the*  
13 *ballot or make the ballot available by electronic means to each*  
14 *unit's owner.*

15 (b) Each unit's owner must be provided with at least 15 days  
16 after the date the secret ~~[written]~~ ballot is mailed , *provided or made*  
17 *available* to the unit's owner to return the secret ~~[written]~~ ballot to  
18 the association ~~[ ]~~ *by physical or electronic means.*

19 (c) Only the secret ~~[written]~~ ballots that ~~[are returned to]~~ the  
20 association *receives by physical or electronic means* may be  
21 counted to determine the outcome.

22 (d) ~~[The secret written ballots must be opened and counted at]~~  
23 *At* a meeting of the association ~~[ ]~~ , *the secret ballots physically*  
24 *received by the association must be opened and counted and the*  
25 *results of the secret ballots received by the association by*  
26 *electronic means must be reviewed, announced and entered into*  
27 *the record.* A quorum is not required to be present when the secret  
28 ~~[written]~~ ballots *physically received by the association* are opened  
29 and counted *or the results of the secret ballots received by the*  
30 *association by electronic means are reviewed, announced and*  
31 *entered into the record* at the meeting.

32 (e) The incumbent members of the executive board, including,  
33 without limitation, the member who is subject to the removal, may  
34 not possess, be given access to or participate in the opening or  
35 counting of the secret ~~[written]~~ ballots that ~~[are returned to]~~ the  
36 association *physically receives, or the collection of data regarding*  
37 *the secret ballots that the association receives by electronic means,*  
38 before those secret ~~[written]~~ ballots have been opened and counted  
39 *or reviewed, announced and entered into the record, as applicable,*  
40 at a meeting of the association.

41 **Sec. 2.5.** NRS 116.31068 is hereby amended to read as  
42 follows:

43 116.31068 1. Except as otherwise provided in ~~[subsection 3~~  
44 ~~and unless a unit's owner opts out of receiving electronic~~  
45 ~~communications or has not designated an electronic mail address,]~~



1 *subsections 2, 3 and 6*, an association shall deliver any notice  
2 required to be given by the association under this chapter ~~and any~~  
3 ~~communication from or other information provided by the~~  
4 ~~association~~ to the ~~mailing or~~ electronic mail ~~addresses~~ *address* a  
5 unit's owner designates.

6 2. Except as otherwise provided in subsection ~~[3.] 6~~, if a unit's  
7 owner has opted out of receiving electronic ~~communications or has~~  
8 ~~not designated an electronic mail address to which a notice,~~  
9 ~~communication or other information can be delivered.]~~ *notices*, the  
10 association may deliver notices ~~[, communications and other~~  
11 ~~information]~~ by:

12 (a) Hand delivery to each unit's owner;

13 (b) Hand delivery, United States mail, postage paid, or  
14 commercially reasonable delivery service to the mailing address of  
15 each unit; or

16 (c) Any other method reasonably calculated to provide notice to  
17 the unit's owner.

18 ~~[2.] 3.~~ *Except as otherwise provided in subsection 6, if a*  
19 *unit's owner has not opted out of receiving electronic notices, but*  
20 *has not designated an electronic mail address at which to receive*  
21 *notices pursuant to this section, the association may deliver any*  
22 *notice required to be given by the association pursuant to this*  
23 *chapter by:*

24 (a) *Electronic means, including, without limitation, by*  
25 *electronic mail to an electronic mail address that a unit's owner*  
26 *has provided to the association but has not designated as the*  
27 *electronic mail address at which to receive notices pursuant to this*  
28 *section; or*

29 (b) *Any of the methods specified in subsection 2.*

30 4. *A unit's owner is entitled to designate only one electronic*  
31 *mail address at which to receive notices pursuant to this section.*

32 5. The ineffectiveness of a good faith effort to deliver notice by  
33 an authorized means does not invalidate action taken at or without a  
34 meeting.

35 ~~[3.] 6.~~ The provisions of this section do not apply:

36 (a) To a notice required to be given pursuant to NRS 116.3116  
37 to 116.31168, inclusive; or

38 (b) If any other provision of this chapter specifies the manner in  
39 which a notice ~~[, communication or other information]~~ must be  
40 given by an association.

41 **Sec. 3.** NRS 116.311 is hereby amended to read as follows:

42 116.311 1. Unless prohibited or limited by the declaration or  
43 bylaws and except as otherwise provided in this section, units'  
44 owners may vote at a meeting in person, by absentee ballot pursuant  
45 to paragraph (d) of subsection 2, by a proxy pursuant to subsections



1 3 to 8, inclusive, or, when a vote is conducted without a meeting, by  
2 electronic or paper ballot pursuant to subsection 9.

3 2. At a meeting of units' owners, the following requirements  
4 apply:

5 (a) Units' owners who are present in person may vote by voice  
6 vote, show of hands, standing or any other method for determining  
7 the votes of units' owners, as designated by the person presiding at  
8 the meeting.

9 (b) If only one of several owners of a unit is present, that owner  
10 is entitled to cast all the votes allocated to that unit. If more than one  
11 of the owners are present, the votes allocated to that unit may be  
12 cast only in accordance with the agreement of a majority in interest  
13 of the owners, unless the declaration expressly provides otherwise.  
14 There is majority agreement if any one of the owners cast the votes  
15 allocated to the unit without protest being made promptly to the  
16 person presiding over the meeting by any of the other owners of the  
17 unit.

18 (c) Unless a greater number or fraction of the votes in the  
19 association is required by this chapter or the declaration, a majority  
20 of the votes cast determines the outcome of any action of the  
21 association.

22 (d) Subject to subsection 1, a unit's owner may vote by absentee  
23 ballot without being present at the meeting. The association  
24 promptly shall deliver an absentee ballot to an owner who requests it  
25 if the request is made at least 3 days before the scheduled meeting.  
26 Votes cast by absentee ballot must be included in the tally of a vote  
27 taken at that meeting.

28 (e) When a unit's owner votes by absentee ballot, the  
29 association must be able to verify that the ballot is cast by the unit's  
30 owner having the right to do so.

31 3. Except as otherwise provided in this section, votes allocated  
32 to a unit may be cast pursuant to a proxy executed by a unit's owner.  
33 A unit's owner may give a proxy only to a member of his or her  
34 immediate family, a tenant of the unit's owner who resides in the  
35 common-interest community, another unit's owner who resides in  
36 the common-interest community, or a delegate or representative  
37 when authorized pursuant to NRS 116.31105. If a unit is owned by  
38 more than one person, each owner of the unit may vote or register  
39 protest to the casting of votes by the other owners of the unit  
40 through an executed proxy. A unit's owner may revoke a proxy  
41 given pursuant to this section only by actual notice of revocation to  
42 the person presiding over a meeting of the association.

43 4. Before a vote may be cast pursuant to a proxy:

44 (a) The proxy must be dated.

45 (b) The proxy must not purport to be revocable without notice.



1 (c) The proxy must designate the meeting for which it is  
2 executed, and such a designation includes any recessed session of  
3 that meeting.

4 (d) The proxy must designate each specific item on the agenda  
5 of the meeting for which the unit's owner has executed the proxy,  
6 except that the unit's owner may execute the proxy without  
7 designating any specific items on the agenda of the meeting if the  
8 proxy is to be used solely for determining whether a quorum is  
9 present for the meeting. If the proxy designates one or more specific  
10 items on the agenda of the meeting for which the unit's owner has  
11 executed the proxy, the proxy must indicate, for each specific item  
12 designated in the proxy, whether the holder of the proxy must cast a  
13 vote in the affirmative or the negative on behalf of the unit's owner.  
14 If the proxy does not indicate whether the holder of the proxy must  
15 cast a vote in the affirmative or the negative for a particular item on  
16 the agenda of the meeting, the proxy must be treated, with regard to  
17 that particular item, as if the unit's owner were present but not  
18 voting on that particular item.

19 (e) The holder of the proxy must disclose at the beginning of the  
20 meeting for which the proxy is executed and any recessed session of  
21 that meeting the number of proxies pursuant to which the holder will  
22 be casting votes.

23 5. A proxy terminates immediately after the conclusion of the  
24 meeting, and any recessed sessions of the meeting, for which it is  
25 executed.

26 6. Except as otherwise provided in this subsection, a vote may  
27 not be cast pursuant to a proxy for the election or removal of a  
28 member of the executive board of an association. A vote may be  
29 cast pursuant to a proxy for the election or removal of a member of  
30 the executive board of a master association which governs a time-  
31 share plan created pursuant to chapter 119A of NRS if the proxy is  
32 exercised through a delegate or representative authorized pursuant  
33 to NRS 116.31105.

34 7. The holder of a proxy may not cast a vote on behalf of the  
35 unit's owner who executed the proxy in a manner that is contrary to  
36 the proxy.

37 8. A proxy is void if the proxy or the holder of the proxy  
38 violates any provision of subsections 3 to 7, inclusive.

39 9. ~~Unless prohibited or limited by the declaration or bylaws,~~  
40 ~~an] An~~ association may conduct a vote without a meeting ~~[. Except~~  
41 ~~as otherwise provided in NRS 116.31034 and 116.31036, if] ,~~  
42 *including, without limitation, a vote for the election or removal of*  
43 *a member of the executive board. If* an association conducts a vote  
44 without a meeting, the following requirements apply:



1 (a) The association shall notify the units' owners that the vote  
2 will be taken by ballot.

3 (b) The association shall deliver a paper or electronic ballot to  
4 every unit's owner entitled to vote on the matter **[.]** *and may allow*  
5 *the units' owners to vote by using a voting machine. Any such*  
6 *voting machine must be a mechanical voting system that has been*  
7 *approved by the Secretary of State in accordance with chapter*  
8 *293B of NRS and, once voting begins, must be:*

9 (1) *Located in a prominent place within the common*  
10 *elements of the association; and*

11 (2) *Available for use between the hours of 8 a.m. and 8 p.m.*  
12 *each day for a period of 15 consecutive days.*

13 (c) The ballot must set forth each proposed action and provide  
14 an opportunity to vote for or against the action.

15 (d) When the association delivers the ballots, it shall also:

16 (1) Indicate the number of responses needed to meet the  
17 quorum requirements;

18 (2) State the percentage of votes necessary to approve each  
19 matter other than election of directors;

20 (3) Specify the time and date by which a ballot must be  
21 delivered to the association to be counted, which time and date may  
22 not be fewer than 3 days after the date the association delivers the  
23 ballot; and

24 (4) Describe the time, date and manner by which units'  
25 owners wishing to deliver information to all units' owners regarding  
26 the subject of the vote may do so.

27 (e) Except as otherwise provided in the declaration or bylaws, a  
28 ballot is not revoked after delivery to the association by death or  
29 disability of or attempted revocation by the person who cast that  
30 vote.

31 (f) Approval by ballot pursuant to this subsection is valid only if  
32 the number of votes cast by ballot equals or exceeds the quorum  
33 required to be present at a meeting authorizing the action.

34 (g) *If the vote is for the election or removal of a member of the*  
35 *executive board and the executive board chooses to use electronic*  
36 *voting:*

37 (1) *If the vote is for the election of a member of the*  
38 *executive board, the association must send or provide, in the*  
39 *manner and time that ballots are sent or provided pursuant to*  
40 *paragraph (a) of subsection 15 of NRS 116.31034 or paragraph*  
41 *(a) of subsection 7 of NRS 116.31105:*

42 (I) *A paper ballot and a return envelope, prepaid by*  
43 *United States mail, to any unit's owner who has opted out of*  
44 *receiving electronic notices pursuant to subsection 2 of NRS*  
45 *116.31068; and*



1 (II) An electronic ballot to any unit's owner who has  
2 designated an electronic mail address at which to receive notices  
3 pursuant to subsection 3 of NRS 116.31068.

4 (2) If the vote is for the removal of a member of the  
5 executive board, the association must send or provide, in the  
6 manner and time that ballots are sent or provided pursuant to  
7 subparagraph (I) of paragraph (a) of subsection 2 of  
8 NRS 116.31036:

9 (I) A paper ballot and a return envelope, prepaid by  
10 United States mail, to any unit's owner who has opted out of  
11 receiving electronic notices pursuant to subsection 2 of NRS  
12 116.31068; and

13 (II) An electronic ballot to any unit's owner who has  
14 designated an electronic mail address at which to receive notices  
15 pursuant to subsection 3 of NRS 116.31068.

16 (3) If the association allows units' owners to vote by using a  
17 voting machine, the association must provide to each unit's owner,  
18 not less than 15 days before the date on which voting begins, a  
19 notice of the opportunity to vote by using a voting machine that  
20 provides the location at which the voting machine will be available  
21 for use and the days and times during which the voting machine  
22 will be available for use. The association shall also provide with  
23 the notice a form that allows a unit's owner to opt out of voting by  
24 using a voting machine and instead receive a paper ballot. If a  
25 unit's owner returns the form to the association within 15 days  
26 after receiving the notice, the association shall send a paper ballot  
27 and a return envelope, prepaid by United States mail, to the  
28 mailing address of the unit's owner or to any other mailing  
29 address designated in writing by the unit's owner.

30 (4) A meeting of the units' owners must be held in the  
31 manner set forth in NRS 116.31034 or 116.31036 to open and  
32 count the paper ballots and review and announce the results  
33 obtained from the electronic ballots or voting machine, as  
34 applicable, and enter the results into the meeting record. Any  
35 paper ballots must be opened and counted in a manner that may  
36 be readily observed by the units' owners in attendance at the  
37 meeting and must not occur privately behind closed doors or in an  
38 area that is not open to observation by the units' owners in  
39 attendance.

40 (5) Any electronic voting must be conducted by an  
41 independent third-party through the use of an online voting  
42 system, a voting machine, or both an online voting system and a  
43 voting machine. The independent third-party shall be deemed to be  
44 a data collector pursuant to NRS 603A.030 and is subject to the  
45 obligations and liabilities of chapter 603A of NRS with regard to





1 *the security and privacy of any personal information, as that term*  
2 *is defined in NRS 603A.040, that is provided or maintained*  
3 *through the use of an online voting system or voting machine. The*  
4 *independent third-party conducting the electronic voting may not*  
5 *be any of the following persons and may not share voting results*  
6 *or information with any of the following persons before the*  
7 *meeting held pursuant to subparagraph (4):*

8 (I) *A candidate for or member of the executive board or*  
9 *an officer of the association;*

10 (II) *A person who resides in a unit with, is married to, is*  
11 *domestic partners with, or is related by blood, adoption or*  
12 *marriage within the third degree of consanguinity or affinity to*  
13 *another person who is a member of the executive board or an*  
14 *officer of the association or performs the duties of a community*  
15 *manager for the association;*

16 (III) *An officer, employee, agent or director of a*  
17 *corporate owner of a unit, a trustee or designated beneficiary of a*  
18 *trust that owns a unit, a partner of a partnership that owns a unit,*  
19 *a member or manager of a limited-liability company that owns a*  
20 *unit or a fiduciary of an estate that owns a unit if the unit is also*  
21 *owned by another person who is a member of the executive board*  
22 *or an officer of the association or serves as the community*  
23 *manager for the association;*

24 (IV) *A person who performs the duties of a community*  
25 *manager for the association, an affiliate of the community*  
26 *manager, an employee of the company by whom the*  
27 *community manager is employed or an affiliate of the company,*  
28 *the spouse of any such person or the parent or child of any such*  
29 *person by blood, adoption or marriage;*

30 (V) *The declarant of the association or an affiliate of the*  
31 *declarant;*

32 (VI) *A unit's owner or resident of the association; or*

33 (VII) *Any person who stands to gain any personal profit*  
34 *or compensation of any kind from a matter before the executive*  
35 *board of the association other than payment only for conducting*  
36 *voting services for the association.*

37 10. *If the declaration requires that votes on specified matters*  
38 *affecting the common-interest community must be cast by the*  
39 *lessees of leased units rather than the units' owners who have leased*  
40 *the units:*

41 (a) *This section applies to the lessees as if they were the units'*  
42 *owners;*

43 (b) *The units' owners who have leased their units to the lessees*  
44 *may not cast votes on those specified matters;*



1 (c) The lessees are entitled to notice of meetings, access to  
2 records and other rights respecting those matters as if they were the  
3 units' owners; and

4 (d) The units' owners must be given notice, in the manner  
5 provided in NRS 116.3108, of all meetings at which the lessees are  
6 entitled to vote.

7 11. If any votes are allocated to a unit that is owned by the  
8 association, those votes may not be cast, by proxy or otherwise, for  
9 any purpose.

10 *12. As used in this section, "online voting system" means an*  
11 *Internet-based voting system with a process that has the ability:*

12 (a) *To authenticate:*

13 (1) *The identity of a unit's owner; and*

14 (2) *The validity of each electronic vote to ensure that the*  
15 *vote is not altered in transit;*

16 (b) *To enable a unit's owner to transmit an electronic ballot to*  
17 *the online voting system in a way that ensures the secrecy and*  
18 *integrity of the ballot;*

19 (c) *To transmit an electronic receipt to each unit's owner who*  
20 *casts an electronic vote;*

21 (d) *To separate any authenticating or identifying information*  
22 *from an electronic ballot, thereby rendering it impossible to match*  
23 *an electronic ballot to a specific unit's owner;*

24 (e) *To store electronic votes and keep them accessible to units'*  
25 *owners and the Office of the Ombudsman for the purposes of*  
26 *recounts, inspections and reviews;*

27 (f) *To count all lawful votes; and*

28 (g) *To identify, reject and record the basis for rejection of all*  
29 *unlawful votes, including, without limitation, a vote by a unit's*  
30 *owner whose voting rights have been suspended, a vote by a*  
31 *person who is not a unit's owner and duplicate votes.*

32 **Sec. 4.** NRS 116.31105 is hereby amended to read as follows:

33 116.31105 1. Except as otherwise provided in subsection 8, if  
34 the declaration so provides, in a common-interest community that  
35 consists of at least 1,000 units, the voting rights of the units' owners  
36 in the association for that common-interest community may be  
37 exercised by delegates or representatives except that, in the election  
38 or removal of a member of the executive board, the voting rights of  
39 the units' owners may not be exercised by delegates or  
40 representatives.

41 2. Except as otherwise provided in subsection 8, in addition to  
42 a common-interest community identified in subsection 1, if the  
43 declaration so provides, in a common-interest community created  
44 before October 1, 1999, the voting rights of the units' owners in the  
45 association for that common-interest community may be exercised



1 by delegates or representatives except that, in the election or  
2 removal of a member of the executive board, the voting rights of the  
3 units' owners may not be exercised by delegates or representatives.

4 3. In addition to a common-interest community identified in  
5 subsections 1 and 2, if the declaration so provides, the voting rights  
6 of the owners of time shares within a time-share plan created  
7 pursuant to chapter 119A of NRS which is governed by a master  
8 association may be exercised by delegates or representatives.

9 4. For the purposes of subsection 1, each unit that a declarant  
10 has reserved the right to create pursuant to NRS 116.2105 and for  
11 which developmental rights exist must be counted in determining  
12 the number of units in a common-interest community.

13 5. For the purposes of subsection 3, each time share that a  
14 developer has reserved the right to create pursuant to paragraph (g)  
15 of subsection 2 of NRS 119A.380 must be counted in determining  
16 the number of time shares in a time-share plan.

17 6. Notwithstanding any provision in the declaration, the  
18 election of any delegate or representative must be conducted by  
19 secret ~~[written]~~ ballot.

20 7. When an election of a delegate or representative is  
21 conducted by secret ~~[written]~~ ballot:

22 (a) The secretary or other officer of the association specified in  
23 the bylaws of the association shall cause a secret ~~[written]~~ *paper or*  
24 *electronic* ballot *to be provided to each unit's owner* and :

25 (1) *If a paper ballot is provided, shall send the ballot and*  
26 *return envelope , ~~[to be sent,]~~ prepaid by United States mail, to the*  
27 *mailing address of each unit within the common-interest community*  
28 *or to any other mailing address designated in writing by the unit's*  
29 *owner ~~[ ] ; or~~*

30 (2) *If an electronic ballot is provided, shall provide the*  
31 *ballot or make the ballot available by electronic means to each*  
32 *unit's owner.*

33 (b) Each unit's owner must be provided with at least 15 days  
34 after the date the secret ~~[written]~~ ballot is mailed , *provided or made*  
35 *available* to the unit's owner to return the secret ~~[written]~~ ballot to  
36 the association ~~[ ]~~ *by physical or electronic means.*

37 (c) Only the secret ~~[written]~~ ballots that ~~[are returned to]~~ the  
38 association ~~[in the manner prescribed on the ballot]~~ *receives by*  
39 *physical or electronic means* may be counted to determine the  
40 outcome of the election.

41 (d) ~~[The secret written ballots must be opened and counted at]~~  
42 *At* a meeting called for the purpose of electing delegates or  
43 representatives ~~[ ]~~ , *the secret ballots physically received by the*  
44 *association must be opened and counted and the results of the*  
45 *secret ballots received by the association by electronic means must*



1 *be reviewed, announced and entered into the record.* A quorum is  
2 not required to be present when the secret ~~[written]~~ ballots  
3 *physically received by the association* are opened and counted *or*  
4 *the results of the secret ballots received by the association by*  
5 *electronic means are reviewed, announced and entered into the*  
6 *record* at the meeting.

7 (e) A candidate for delegate or representative may not possess,  
8 be given access to or participate in the opening or counting of the  
9 secret ~~[written]~~ ballots that ~~[are returned to]~~ the association ~~[in the~~  
10 ~~manner prescribed on the ballot]~~ *physically receives, or the*  
11 *collection of data regarding the secret ballots that the association*  
12 *receives by electronic means,* before those secret ~~[written]~~ ballots  
13 have been opened and counted *or reviewed, announced and entered*  
14 *into the record, as applicable,* at a meeting called for that purpose.

15 8. Except as otherwise provided in subsection 9, the voting  
16 rights of the units' owners in the association for a common-interest  
17 community may be exercised by delegates or representatives only  
18 during the period that the declarant is in control of the association  
19 and during the 2-year period after the declarant's control of the  
20 association is terminated pursuant to NRS 116.31032.

21 9. The provisions of subsection 8 do not apply to:

22 (a) A time-share plan created pursuant to chapter 119A of NRS  
23 which is governed by a master association; or

24 (b) A condominium or cooperative containing both units that are  
25 restricted exclusively to nonresidential use and other units that are  
26 not so restricted.

27 **Sec. 5.** NRS 116.31153 is hereby amended to read as follows:

28 116.31153 1. Money in the reserve account of an association  
29 required by paragraph (b) of subsection 2 of NRS 116.3115 may not  
30 be withdrawn without the signatures of at least two members of the  
31 executive board or the signatures of at least one member of the  
32 executive board and one officer of the association who is not a  
33 member of the executive board.

34 2. Except as otherwise provided in subsection 3, money in the  
35 operating account of an association may not be withdrawn without  
36 the signatures of at least one member of the executive board or one  
37 officer of the association and a member of the executive board, an  
38 officer of the association or the community manager.

39 3. Money in the operating account of an association may be  
40 withdrawn without the signatures required pursuant to subsection 2  
41 to:

42 (a) Transfer money to the reserve account of the association at  
43 regular intervals;

44 (b) Make automatic payments for utilities;



1 (c) *Make automatic payments for the cost of any insurance*  
2 *policies maintained pursuant to NRS 116.3113;*

3 (d) *Make automatic payments for telecommunications services*  
4 *maintained by the association, including, without limitation,*  
5 *telephone, cable, satellite and Internet services;*

6 (e) *Make automatic payments for any services to the*  
7 *association that are billed on a monthly, quarterly or annual*  
8 *basis;*

9 (f) *Make annual payments to the Office of the Ombudsman;*

10 (g) Make an electronic transfer of money to a state agency  
11 pursuant to NRS 353.1467; or

12 ~~(d)~~ (h) Make an electronic transfer of money to the United  
13 States Government, or any agency thereof, pursuant to any federal  
14 law requiring transfers of money to be made by an electronic means  
15 authorized by the United States Government or the agency thereof.

16 4. An association may use electronic signatures to withdraw  
17 money in the operating account of the association if:

18 (a) The electronic transfer of money is made pursuant to a  
19 written agreement entered into between the association and the  
20 financial institution where the operating account of the association is  
21 maintained;

22 (b) The executive board has expressly authorized the electronic  
23 transfer of money; and

24 (c) The association has established internal accounting controls  
25 which comply with generally accepted accounting principles to  
26 safeguard the assets of the association.

27 5. As used in this section, "electronic transfer of money" has  
28 the meaning ascribed to it in NRS 353.1467.

29 **Sec. 6.** NRS 116A.620 is hereby amended to read as follows:

30 116A.620 1. Any management agreement must:

31 (a) Be in writing and signed by all parties;

32 (b) Be entered into between the client and the community  
33 manager or the employer of the community manager if the  
34 community manager is acting on behalf of a corporation,  
35 partnership, limited partnership, limited-liability partnership,  
36 limited-liability company or other entity;

37 (c) State the term of the management agreement;

38 (d) State the basic consideration for the services to be provided  
39 and the payment schedule;

40 (e) Include a complete schedule of all fees, costs, expenses and  
41 charges to be imposed by the community manager, whether direct or  
42 indirect, including, without limitation:

43 (1) The costs for any new client or start-up costs;



1 (2) The fees for special or nonroutine services, such as the  
2 mailing of collection letters, the recording of liens and foreclosing  
3 of property;

4 (3) Reimbursable expenses;

5 (4) The fees for the sale or resale of a unit or for setting up  
6 the account of a new member; and

7 (5) The portion of fees that are to be retained by the client  
8 and the portion to be retained by the community manager;

9 (f) State the identity and the legal status of the contracting  
10 parties;

11 (g) State any limitations on the liability of each contracting  
12 party;

13 (h) Include a statement of the scope of work of the community  
14 manager;

15 (i) State the spending limits of the community manager;

16 (j) Include provisions relating to the grounds and procedures for  
17 termination of the community manager;

18 (k) Identify the types and amounts of insurance coverage to be  
19 carried by each contracting party, including, without limitation:

20 (1) A requirement that the community manager or his or her  
21 employer shall maintain insurance covering liability for errors or  
22 omissions, professional liability or a surety bond to compensate for  
23 losses actionable pursuant to this chapter in an amount of  
24 \$1,000,000 or more;

25 (2) An indication of which contracting party will maintain  
26 fidelity bond coverage; and

27 (3) A statement as to whether the client will maintain  
28 directors and officers liability coverage for the executive board;

29 (l) Include provisions for dispute resolution;

30 (m) Acknowledge that all records and books of the client are the  
31 property of the client, except any proprietary information and  
32 software belonging to the community manager;

33 (n) State the physical location, including the street address, of  
34 the records of the client, which must be within 60 miles from the  
35 physical location of the common-interest community;

36 (o) State the frequency and extent of regular inspections of the  
37 common-interest community; and

38 (p) State the extent, if any, of the authority of the community  
39 manager to sign checks on behalf of the client in an operating  
40 account.

41 2. In addition to any other requirements under this section, a  
42 management agreement may:

43 (a) Provide for mandatory binding arbitration; or

44 (b) Allow the provisions of the management agreement to apply  
45 month to month following the end of the term of the management



1 agreement, but the management agreement may not contain an  
2 automatic renewal provision.

3 3. Not later than 10 days after the effective date of a  
4 management agreement, the community manager shall provide each  
5 member of the executive board evidence of the existence of the  
6 required insurance, including, without limitation:

7 (a) The names and addresses of all insurance companies;

8 (b) The total amount of coverage; and

9 (c) The amount of any deductible.

10 4. After signing a management agreement, the community  
11 manager shall provide a copy of the management agreement to each  
12 member of the executive board. Within 30 days after an election or  
13 appointment of a new member to the executive board, the  
14 community manager shall provide the new member with a copy of  
15 the management agreement.

16 5. Any changes to a management agreement must be initialed  
17 by the contracting parties. If there are any changes after the  
18 execution of a management agreement, those changes must be in  
19 writing and signed by the contracting parties.

20 6. ~~Except~~ *Until the regulations adopted by the Commission*  
21 *pursuant to subsection 8 become effective, and except* as otherwise  
22 provided in the management agreement, upon the termination or  
23 assignment of a management agreement, the community manager  
24 shall, within 30 days after the termination or assignment, transfer  
25 possession of all books, records and other papers of the client to the  
26 succeeding community manager, or to the client if there is no  
27 succeeding community manager, regardless of any unpaid fees or  
28 charges to the community manager or management company.

29 7. Notwithstanding any provision in a management agreement  
30 to the contrary, a management agreement may be terminated by the  
31 client without penalty upon 30 days' notice following a violation by  
32 the community manager of any provision of this chapter or chapter  
33 116 of NRS.

34 *8. The Commission shall adopt regulations establishing the*  
35 *requirements relating to the transfer of all books, records and*  
36 *other papers of the client upon the termination or assignment of a*  
37 *management agreement.*

38 **Sec. 7.** NRS 116A.620 is hereby amended to read as follows:

39 116A.620 1. Any management agreement must:

40 (a) Be in writing and signed by all parties;

41 (b) Be entered into between the client and the community  
42 manager or the employer of the community manager if the  
43 community manager is acting on behalf of a corporation,  
44 partnership, limited partnership, limited-liability partnership,  
45 limited-liability company or other entity;



- 1 (c) State the term of the management agreement;
- 2 (d) State the basic consideration for the services to be provided  
3 and the payment schedule;
- 4 (e) Include a complete schedule of all fees, costs, expenses and  
5 charges to be imposed by the community manager, whether direct or  
6 indirect, including, without limitation:
- 7 (1) The costs for any new client or start-up costs;
- 8 (2) The fees for special or nonroutine services, such as the  
9 mailing of collection letters, the recording of liens and foreclosing  
10 of property;
- 11 (3) Reimbursable expenses;
- 12 (4) The fees for the sale or resale of a unit or for setting up  
13 the account of a new member; and
- 14 (5) The portion of fees that are to be retained by the client  
15 and the portion to be retained by the community manager;
- 16 (f) State the identity and the legal status of the contracting  
17 parties;
- 18 (g) State any limitations on the liability of each contracting  
19 party;
- 20 (h) Include a statement of the scope of work of the community  
21 manager;
- 22 (i) State the spending limits of the community manager;
- 23 (j) Include provisions relating to the grounds and procedures for  
24 termination of the community manager;
- 25 (k) Identify the types and amounts of insurance coverage to be  
26 carried by each contracting party, including, without limitation:
- 27 (1) A requirement that the community manager or his or her  
28 employer shall maintain insurance covering liability for errors or  
29 omissions, professional liability or a surety bond to compensate for  
30 losses actionable pursuant to this chapter in an amount of  
31 \$1,000,000 or more;
- 32 (2) An indication of which contracting party will maintain  
33 fidelity bond coverage; and
- 34 (3) A statement as to whether the client will maintain  
35 directors and officers liability coverage for the executive board;
- 36 (l) Include provisions for dispute resolution;
- 37 (m) Acknowledge that all records and books of the client are the  
38 property of the client, except any proprietary information and  
39 software belonging to the community manager;
- 40 (n) State the physical location, including the street address, of  
41 the records of the client, which must be within 60 miles from the  
42 physical location of the common-interest community;
- 43 (o) State the frequency and extent of regular inspections of the  
44 common-interest community; and





1 (p) State the extent, if any, of the authority of the community  
2 manager to sign checks on behalf of the client in an operating  
3 account.

4 2. In addition to any other requirements under this section, a  
5 management agreement may:

6 (a) Provide for mandatory binding arbitration; or

7 (b) Allow the provisions of the management agreement to apply  
8 month to month following the end of the term of the management  
9 agreement, but the management agreement may not contain an  
10 automatic renewal provision.

11 3. Not later than 10 days after the effective date of a  
12 management agreement, the community manager shall provide each  
13 member of the executive board evidence of the existence of the  
14 required insurance, including, without limitation:

15 (a) The names and addresses of all insurance companies;

16 (b) The total amount of coverage; and

17 (c) The amount of any deductible.

18 4. After signing a management agreement, the community  
19 manager shall provide a copy of the management agreement to each  
20 member of the executive board. Within 30 days after an election or  
21 appointment of a new member to the executive board, the  
22 community manager shall provide the new member with a copy of  
23 the management agreement.

24 5. Any changes to a management agreement must be initialed  
25 by the contracting parties. If there are any changes after the  
26 execution of a management agreement, those changes must be in  
27 writing and signed by the contracting parties.

28 6. ~~Until the regulations adopted by the Commission pursuant  
29 to subsection 8 become effective, and except as otherwise provided  
30 in the management agreement, upon the termination or assignment  
31 of a management agreement, the community manager shall, within  
32 30 days after the termination or assignment, transfer possession of  
33 all books, records and other papers of the client to the  
34 succeeding community manager, or to the client if there is no  
35 succeeding community manager, regardless of any unpaid fees or  
36 charges to the community manager or management company.~~

37 ~~7.]~~ Notwithstanding any provision in a management agreement  
38 to the contrary, a management agreement may be terminated by the  
39 client without penalty upon 30 days' notice following a violation by  
40 the community manager of any provision of this chapter or chapter  
41 116 of NRS.

42 ~~8.]~~ 7. The Commission shall adopt regulations establishing  
43 the requirements relating to the transfer of all books, records and  
44 other papers of the client upon the termination or assignment of a  
45 management agreement.



1       **Sec. 8.** NRS 116B.445 is hereby amended to read as follows:

2       116B.445 1. Not later than the termination of any period of  
3 declarant's control, the units' owners shall elect an executive board  
4 of at least three members. At least a majority of the members of the  
5 executive board must be residential unit owners and at least one  
6 member of the executive board must be a duly authorized  
7 representative of the hotel unit owner. The executive board shall  
8 elect the officers of the association. The members of the executive  
9 board and the officers of the association shall take office upon  
10 election.

11       2. The term of office of a member of the executive board may  
12 not exceed 3 years, except for members who are appointed by the  
13 declarant or the hotel unit owner. Unless the governing documents  
14 provide otherwise, there is no limitation on the number of terms that  
15 a person may serve as a member of the executive board.

16       3. The governing documents of the association must provide  
17 for terms of office that are staggered in such a manner that, to the  
18 extent possible, an equal number of members of the executive board  
19 are elected at each election. The provisions of this subsection do not  
20 apply to:

21       (a) Members of the executive board who are appointed by the  
22 declarant;

23       (b) Members of the executive board who are appointed by the  
24 hotel unit owner; and

25       (c) Members of the executive board who serve a term of 1 year  
26 or less.

27       4. Not less than 30 days before the preparation of a ballot for  
28 the election of members of the executive board, the secretary or  
29 other officer specified in the bylaws of the association shall cause  
30 notice to be given to each unit's owner of his or her eligibility to  
31 serve as a member of the executive board. Each unit's owner who is  
32 qualified to serve as a member of the executive board may have his  
33 or her name placed on the ballot along with the names of the  
34 nominees selected by the members of the executive board or a  
35 nominating committee established by the association.

36       5. Each person whose name is placed on the ballot as a  
37 candidate for a member of the executive board must:

38       (a) Make a good faith effort to disclose any financial, business,  
39 professional or personal relationship or interest that would result or  
40 would appear to a reasonable person to result in a potential conflict  
41 of interest for the candidate if the candidate were to be elected to  
42 serve as a member of the executive board; and

43       (b) Disclose whether the candidate is a member in good  
44 standing. For the purposes of this paragraph, a candidate shall not be  
45 deemed to be in "good standing" if the candidate has any unpaid and



1 past due assessments or charges that are required to be paid to the  
2 association.

3 ➔ The candidate must make all disclosures required pursuant to this  
4 subsection in writing to the association with his or her candidacy  
5 information. The association shall distribute the disclosures to each  
6 member of the association with the ballot in the manner established  
7 in the bylaws of the association.

8 6. Unless a person is appointed by the declarant, a person may  
9 not be a member of the executive board or an officer of the  
10 association if the person, the person's spouse or the person's parent  
11 or child, by blood, marriage or adoption, performs the duties of a  
12 community manager for that association.

13 7. An officer, employee, agent or director of a corporate owner  
14 of a unit, a trustee or designated beneficiary of a trust that owns a  
15 unit, a partner of a partnership that owns a unit, a member or  
16 manager of a limited-liability company that owns a unit, and a  
17 fiduciary of an estate that owns a unit may be an officer of the  
18 association or a member of the executive board. In all events where  
19 the person serving or offering to serve as an officer of the  
20 association or a member of the executive board is not the record  
21 owner, the person shall file proof in the records of the association  
22 that:

23 (a) The person is associated with the corporate owner, trust,  
24 partnership, limited-liability company or estate as required by this  
25 subsection; and

26 (b) Identifies the unit or units owned by the corporate owner,  
27 trust, partnership, limited-liability company or estate.

28 8. ~~The~~ *Except as otherwise provided in NRS 116B.550, the*  
29 election of any member of the executive board must be conducted  
30 by secret ~~written~~ ballot as follows:

31 (a) The secretary or other officer specified in the bylaws of the  
32 association shall cause a secret *paper or electronic* ballot *to be*  
33 *provided to each unit's owner* and :

34 (1) *If a paper ballot is provided, shall send the ballot and*  
35 *return envelope , ~~to be sent,~~ prepaid by United States mail, to the*  
36 *mailing address of each unit within the condominium hotel or to any*  
37 *other mailing address designated in writing by the unit's owner ~~;~~*  
38 *or*

39 (2) *If an electronic ballot is provided, shall provide the*  
40 *ballot or make the ballot available by electronic means to each*  
41 *unit's owner.*

42 (b) Each unit's owner must be provided with at least 15 days  
43 after the date the secret ~~written~~ ballot is mailed , *provided or made*  
44 *available* to the unit's owner to return the secret ~~written~~ ballot to  
45 the association ~~;~~ *by physical or electronic means.*



1 (c) A quorum is not required for the election of any member of  
2 the executive board.

3 (d) Only the secret  ~~[written]~~  ballots that  ~~[are returned to]~~  the  
4 association *receives by physical or electronic means* may be  
5 counted to determine the outcome of the election.

6 (e)  ~~[The secret written ballots must be opened and counted at]~~  At  
7 a meeting of the association  ~~[ ]~~ , *the secret ballots physically*  
8 *received by the association must be opened and counted and the*  
9 *results of the secret ballots received by the association by*  
10 *electronic means must be reviewed, announced and entered into*  
11 *the record.* A quorum is not required to be present when the secret  
12  ~~[written]~~  ballots are opened and counted *or the results of the secret*  
13 *ballots received by the association by electronic means are*  
14 *reviewed, announced and entered into the record* at the meeting.

15 (f) The incumbent members of the executive board and each  
16 person whose name is placed on the ballot as a candidate for a  
17 member of the executive board may not possess, be given access to  
18 or participate in the opening or counting of the secret  ~~[written]~~   
19 ballots that  ~~[are returned to]~~  the association *physically receives, or*  
20 *the collection of data regarding the secret ballots that the*  
21 *association receives by electronic means,* before those secret  
22  ~~[written]~~  ballots have been opened and counted *or reviewed,*  
23 *announced and entered into the record, as applicable,* at a meeting  
24 of the association.

25 9. Each member of the executive board shall, within 90 days  
26 after his or her appointment or election, certify in writing to the  
27 association, on a form prescribed by the Administrator, that the  
28 member has read and understands the governing documents of  
29 the association and the provisions of this chapter to the best of the  
30 member's ability. The Administrator may require the association to  
31 submit a copy of the certification of each member of the executive  
32 board of that association at the time the association registers with  
33 the Ombudsman pursuant to NRS 116B.625.

34 **Sec. 9.** NRS 116B.450 is hereby amended to read as follows:

35 116B.450 1. Notwithstanding any provision of the  
36 declaration or bylaws to the contrary, any member of the executive  
37 board, other than a member appointed by the declarant or elected by  
38 the hotel unit owner, may be removed from the executive board,  
39 with or without cause, if at a removal election held pursuant to this  
40 section, the number of votes cast in favor of removal constitutes:

41 (a) At least 35 percent of the total number of voting members of  
42 the association; and

43 (b) At least a majority of all votes cast in that removal election.

44 2. A removal election may be called by units' owners  
45 constituting at least 10 percent, or any lower percentage specified in



1 the bylaws, of the total number of voting members of the  
2 association. To call a removal election, the units' owners must  
3 submit a written petition which is signed by the required percentage  
4 of the total number of voting members of the association pursuant to  
5 this subsection and which is mailed, return receipt requested, or  
6 served by a process server to the executive board or the community  
7 manager for the association. If a removal election is called pursuant  
8 to this subsection and the voting rights of the units' owners will be  
9 exercised through the use of secret ~~{written}~~ ballots pursuant to this  
10 section:

11 (a) The secret ~~{written}~~ ballots for the removal election must be  
12 ~~{sent}~~ *mailed, provided or made available* in the manner required by  
13 this section not less than 15 days or more than 60 days after the date  
14 on which the petition is received. ~~{and}~~

15 (b) The executive board shall set the date for the meeting to  
16 open and count the secret ~~{written}~~ ballots *physically received by*  
17 *the association and to review, announce and enter into the record*  
18 *the results of the secret ballots received by the association by*  
19 *electronic means* so that the meeting is held not more than 15 days  
20 after the deadline for returning the secret ~~{written}~~ ballots *by*  
21 *physical or electronic means* and not later than 90 days after the  
22 date on which the petition was received.

23 (c) *Upon written request submitted to the community manager,*  
24 *president or secretary of the association by a member of the*  
25 *executive board who is the subject of the removal election, the*  
26 *secretary or other officer specified in the bylaws of the association*  
27 *shall cause notice of a meeting of the executive board to be given*  
28 *to the units' owners not later than 5 days after receipt of the*  
29 *written request. The notice must include the date, time and*  
30 *location of the meeting, as requested by the member of the*  
31 *executive board who is the subject of the removal election, and*  
32 *identify the removal of the member from the executive board as an*  
33 *agenda item listed for discussion. A meeting requested pursuant to*  
34 *this paragraph must occur before the date for the meeting set by*  
35 *the executive board pursuant to paragraph (b).*

36 3. ~~{The}~~ *Except as otherwise provided in NRS 116B.550, the*  
37 removal of any member of the executive board must be conducted  
38 by secret ~~{written}~~ ballot as follows:

39 (a) The secretary or other officer specified in the bylaws of the  
40 association shall cause a secret *paper or electronic* ballot *to be*  
41 *provided to each unit's owner* and :

42 (1) *If a paper ballot is provided, shall send the ballot and* a  
43 return envelope , ~~{to be sent,}~~ prepaid by United States mail, to the  
44 mailing address of each unit within the condominium hotel or to any



1 other mailing address designated in writing by the unit's owner ~~[ ]~~ ;  
2 *or*

3 *(2) If an electronic ballot is provided, shall provide the*  
4 *ballot or make the ballot available by electronic means to each*  
5 *unit's owner.*

6 (b) Each unit's owner must be provided with at least 15 days  
7 after the date the secret ~~[written]~~ ballot is mailed, *provided or made*  
8 *available* to the unit's owner to return the secret ~~[written]~~ ballot to  
9 the association ~~[ ]~~ *by physical or electronic means.*

10 (c) Only the secret ~~[written]~~ ballots that ~~[are returned to]~~ the  
11 association *receives by physical or electronic means* may be  
12 counted to determine the outcome.

13 (d) ~~[The secret written ballots must be opened and counted at]~~  
14 *At* a meeting of the association ~~[ ]~~, *the secret ballots physically*  
15 *received by the association must be opened and counted and the*  
16 *results of the secret ballots received by the association by*  
17 *electronic means must be reviewed, announced and entered into*  
18 *the record.* A quorum is not required to be present when the secret  
19 ~~[written]~~ ballots *physically received by the association* are opened  
20 and counted *or the results of the secret ballots received by the*  
21 *association by electronic means are reviewed, announced and*  
22 *entered into the record* at the meeting.

23 (e) The incumbent members of the executive board, including,  
24 without limitation, the member who is subject to the removal, may  
25 not possess, be given access to or participate in the opening or  
26 counting of the secret ~~[written]~~ ballots that ~~[are returned to]~~ the  
27 association *physically receives, or the collection of data regarding*  
28 *the secret ballots that the association receives by electronic means,*  
29 before those secret ~~[written]~~ ballots have been opened and counted  
30 *or reviewed, announced and entered into the record, as applicable,*  
31 at a meeting of the association.

32 **Sec. 9.5.** NRS 116B.513 is hereby amended to read as follows:

33 116B.513 1. Except as otherwise provided in ~~[subsection 3,]~~  
34 *subsections 2, 3 and 6,* an association or a hotel unit owner, as  
35 applicable, shall deliver any notice required to be given by the  
36 association or the hotel unit owner under this chapter to ~~[any~~  
37 ~~mailing or]~~ *the* electronic mail address a unit's owner designates.

38 2. Except as otherwise provided in subsection ~~[3,]~~ 6, if a unit's  
39 owner has ~~[not designated a mailing or]~~ *opted out of receiving*  
40 electronic ~~[mail address to which a notice must be delivered,]~~  
41 *notices,* the association or hotel unit owner may deliver notices by:

- 42 (a) Hand delivery to the unit's owner;
- 43 (b) Hand delivery, United States mail, postage paid, or
- 44 commercially reasonable delivery service to the mailing address of
- 45 the unit of the unit's owner; or



1 (c) Any other method reasonably calculated to provide notice to  
2 the unit's owner.

3 ~~12.1~~ 3. *Except as otherwise provided in subsection 6, if a*  
4 *unit's owner has not opted out of receiving electronic notices, but*  
5 *has not designated an electronic mail address at which to receive*  
6 *notices pursuant to this section, the association may deliver any*  
7 *notice required to be given by the association pursuant to this*  
8 *chapter by:*

9 (a) *Electronic means, including, without limitation, by*  
10 *electronic mail to an electronic mail address that a unit's owner*  
11 *has provided to the association but has not designated as the*  
12 *electronic mail address at which to receive notices pursuant to this*  
13 *section; or*

14 (b) *Any of the methods specified in subsection 2.*

15 4. *A unit's owner is entitled to designate only one electronic*  
16 *mail address at which to receive notices pursuant to this section.*

17 5. The ineffectiveness of a good faith effort to deliver notice by  
18 an authorized means does not invalidate action taken at or without a  
19 meeting.

20 ~~13.1~~ 6. The provisions of this section do not apply:

21 (a) To a notice required to be given pursuant to NRS 116B.630  
22 to 116B.665, inclusive; or

23 (b) If any other provision of this chapter specifies the manner in  
24 which a notice must be given by an association or hotel unit owner.

25 **Sec. 10.** NRS 116B.550 is hereby amended to read as follows:

26 116B.550 1. Unless prohibited or limited by the declaration  
27 or bylaws and except as otherwise provided in this section, the  
28 units' owners may vote at a meeting in person, by absentee ballot  
29 pursuant to paragraph (d) of subsection 2, by a proxy pursuant to  
30 subsections 3 to 8, inclusive, or, when a vote is conducted without a  
31 meeting, by paper or electronic ballot pursuant to subsection 9.

32 2. At a meeting of the units' owners, the following  
33 requirements apply:

34 (a) Units' owners who are present in person may vote by voice  
35 vote, show of hands, standing or any other method for determining  
36 the votes of the units' owners, as designated by the person presiding  
37 at the meeting.

38 (b) If only one of several owners of a unit is present, that owner  
39 is entitled to cast all the votes allocated to that unit. If more than one  
40 of the owners are present, the votes allocated to that unit may be  
41 cast only in accordance with the agreement of a majority in interest  
42 of the owners, unless the declaration expressly provides otherwise.  
43 There is majority agreement if any one of the owners cast the votes  
44 allocated to the unit without protest being made promptly to the



1 person presiding over the meeting by any of the other owners of the  
2 unit.

3 (c) Unless a greater number or fraction of the votes in the  
4 association is required by this chapter or the declaration, a majority  
5 of the votes cast determines the outcome of any action of the  
6 association.

7 (d) Subject to the provisions of subsection 1, a unit's owner may  
8 vote by absentee ballot without being present at the meeting. The  
9 association promptly shall deliver an absentee ballot to a unit's  
10 owner who requests it if the request is made at least 3 days before  
11 the scheduled meeting. Votes cast by absentee ballot must be  
12 included in the tally of a vote taken at that meeting.

13 (e) When a unit's owner votes by absentee ballot, the  
14 association must be able to verify that the ballot is cast by the unit's  
15 owner having the right to do so.

16 3. Except as otherwise provided in this section, votes allocated  
17 to a unit may be cast pursuant to a proxy executed by a unit's owner.  
18 A unit's owner may give a proxy only to a member of his or her  
19 immediate family, a tenant of the unit's owner who resides in the  
20 condominium hotel, the hotel unit owner or another unit's owner  
21 who resides in the condominium hotel. If a unit is owned by more  
22 than one person, each owner of the unit may vote or register protest  
23 to the casting of votes by the other owners of the unit through an  
24 executed proxy. A unit's owner may revoke a proxy given pursuant  
25 to this section only by actual notice of revocation to the person  
26 presiding over a meeting of the association.

27 4. Before a vote may be cast pursuant to a proxy:

28 (a) The proxy must be dated.

29 (b) The proxy must not purport to be revocable without notice.

30 (c) The proxy must designate the meeting for which it is  
31 executed, and such a designation includes any recessed session of  
32 the meeting.

33 (d) The proxy must designate each specific item on the agenda  
34 of the meeting for which the unit's owner has executed the proxy,  
35 except that the unit's owner may execute the proxy without  
36 designating any specific items on the agenda of the meeting if the  
37 proxy is to be used solely for determining whether a quorum is  
38 present for the meeting. If the proxy designates one or more specific  
39 items on the agenda of the meeting for which the unit's owner has  
40 executed the proxy, the proxy must indicate, for each specific item  
41 designated in the proxy, whether the holder of the proxy must cast a  
42 vote in the affirmative or the negative on behalf of the unit's owner.  
43 If the proxy does not indicate whether the holder of the proxy must  
44 cast a vote in the affirmative or the negative for a particular item on  
45 the agenda of the meeting, the proxy must be treated, with regard to





1 that particular item, as if the unit's owner were present but not  
2 voting on that particular item.

3 (e) The holder of the proxy must disclose at the beginning of the  
4 meeting for which the proxy is executed and any recessed session of  
5 that meeting the number of proxies pursuant to which the holder will  
6 be casting votes.

7 5. A proxy terminates immediately after the conclusion of the  
8 meeting, and any recessed sessions of the meeting, for which it is  
9 executed.

10 6. A vote may not be cast pursuant to a proxy for the election  
11 or removal of a member of the executive board of an association.

12 7. The holder of a proxy may not cast a vote on behalf of the  
13 unit's owner who executed the proxy in a manner that is contrary to  
14 the proxy.

15 8. A proxy is void if the proxy or the holder of the proxy  
16 violates any provision of subsections 3 to 7, inclusive.

17 9. ~~Unless prohibited or limited by the declaration or bylaws,~~  
18 ~~an~~ An association may conduct a vote without a meeting ~~[. Except~~  
19 ~~as otherwise provided in NRS 116B.445 and 116B.450, if] ,~~  
20 *including, without limitation, a vote for the election or removal of*  
21 *a member of the executive board. If* an association conducts a vote  
22 without a meeting, the following requirements apply:

23 (a) The association shall notify the units' owners that the vote  
24 will be taken by ballot.

25 (b) The association shall deliver a paper or electronic ballot to  
26 every unit's owner entitled to vote on the matter ~~[.]~~ *and may allow*  
27 *the units' owners to vote by using a voting machine. Any such*  
28 *voting machine must be a mechanical voting system that has been*  
29 *approved by the Secretary of State in accordance with chapter*  
30 *293B of NRS and, once voting begins, must be:*

31 (1) *Located in a prominent place within the common*  
32 *elements of the condominium hotel; and*

33 (2) *Available for use between the hours of 8 a.m. and 8 p.m.*  
34 *each day for a period of 15 consecutive days.*

35 (c) The ballot must set forth each proposed action and provide  
36 an opportunity to vote for or against the action.

37 (d) When the association delivers the ballots, it shall also:

38 (1) Indicate the number of responses needed to meet the  
39 quorum requirements;

40 (2) State the percentage of votes necessary to approve each  
41 matter other than election of directors;

42 (3) Specify the time and date by which a ballot must be  
43 delivered to the association to be counted, which time and date may  
44 not be fewer than 3 days after the date the association delivers the  
45 ballot; and



1 (4) Describe the time, date and manner by which units'  
2 owners wishing to deliver information to all units' owners regarding  
3 the subject of the vote may do so.

4 (e) Except as otherwise provided in the declaration or bylaws, a  
5 ballot is not revoked after delivery to the association by death or  
6 disability of or attempted revocation by the person who cast that  
7 vote.

8 (f) Approval by ballot pursuant to this subsection is valid only if  
9 the number of votes cast by ballot equals or exceeds the quorum  
10 required to be present at a meeting authorizing the action.

11 (g) *If the vote is for the election or removal of a member of the*  
12 *executive board and the executive board chooses to use electronic*  
13 *voting:*

14 (1) *If the vote is for the election of a member of the*  
15 *executive board, an association shall send or provide, in the*  
16 *manner and time that ballots are sent or provided pursuant to*  
17 *paragraph (a) of subsection 8 of NRS 116B.445:*

18 (I) *A paper ballot and a return envelope, prepaid by*  
19 *United States mail, to any unit's owner who has opted out of*  
20 *receiving electronic notices pursuant to subsection 2 of NRS*  
21 *116B.513; and*

22 (II) *An electronic ballot to any unit's owner who has*  
23 *designated an electronic mail address at which to receive notices*  
24 *pursuant to subsection 3 of NRS 116B.513.*

25 (2) *If the vote is for the removal of a member of the*  
26 *executive board, the association must send or provide, in the*  
27 *manner and time that ballots are sent or provided pursuant to*  
28 *paragraph (a) of subsection 2 of NRS 116B.450:*

29 (I) *A paper ballot and a return envelope, prepaid by*  
30 *United States mail, to any unit's owner who has opted out of*  
31 *receiving electronic notices pursuant to subsection 2 of NRS*  
32 *116B.513; and*

33 (II) *An electronic ballot to any unit's owner who has*  
34 *designated an electronic mail address at which to receive notices*  
35 *pursuant to subsection 3 of NRS 116B.513.*

36 (3) *If the association allows units' owners to vote by using a*  
37 *voting machine, the association must provide to each unit's owner,*  
38 *not less than 15 days before the date on which voting begins, a*  
39 *notice of the opportunity to vote by using a voting machine that*  
40 *provides the location at which the voting machine will be available*  
41 *for use and the days and times during which the voting machine*  
42 *will be available for use. The association shall also provide with*  
43 *the notice a form that allows a unit's owner to opt out of voting by*  
44 *using a voting machine and instead receive a paper ballot. If a*  
45 *unit's owner returns the form to the association within 15 days*



1 after receiving the notice, the association shall send a paper ballot  
2 and a return envelope, prepaid by United States mail, to the  
3 mailing address of the unit's owner or to any other mailing  
4 address designated in writing by the unit's owner.

5 (4) A meeting of the units' owners must be held in the  
6 manner set forth in NRS 116B.445 or 116B.450 to open and count  
7 the paper ballots and review and announce the results obtained  
8 from the electronic ballots or voting machine, as applicable, and  
9 enter the results into the meeting record. Any paper ballots must  
10 be opened and counted in a manner that may be readily observed  
11 by the units' owners in attendance at the meeting and must not  
12 occur privately behind closed doors or in an area that is not open  
13 to observation by the units' owners in attendance.

14 (5) Any electronic voting must be conducted by an  
15 independent third-party through the use of an online voting  
16 system, a voting machine, or both an online voting system and a  
17 voting machine. The independent third-party shall be deemed to be  
18 a data collector pursuant to NRS 603A.030 and is subject to the  
19 obligations and liabilities of chapter 603A of NRS with regard to  
20 the security and privacy of any personal information, as that term  
21 is defined in NRS 603A.040, that is provided or maintained  
22 through the use of an online voting system or voting machine. The  
23 independent third-party conducting the electronic voting may not  
24 be any of the following persons and may not share voting results  
25 or information with any of the following persons before the  
26 meeting held pursuant to subparagraph (4):

27 (I) A candidate for or member of the executive board or  
28 an officer of the association;

29 (II) A person who resides in a unit with, is married to, is  
30 domestic partners with, or is related by blood, adoption or  
31 marriage within the third degree of consanguinity or affinity to  
32 another person who is a member of the executive board or an  
33 officer of the association or performs the duties of a community  
34 manager for the association;

35 (III) An officer, employee, agent or director of a  
36 corporate owner of a unit, a trustee or designated beneficiary of a  
37 trust that owns a unit, a partner of a partnership that owns a unit,  
38 a member or manager of a limited-liability company that owns a  
39 unit or a fiduciary of an estate that owns a unit if the unit is also  
40 owned by another person who is a member of the executive board  
41 or an officer of the association or serves as the community  
42 manager for the association;

43 (IV) A person who performs the duties of a community  
44 manager for the association, an affiliate of the community  
45 manager, an employee of the company by whom the



1 *community manager is employed or an affiliate of the company,*  
2 *the spouse of any such person or the parent or child of any such*  
3 *person by blood, adoption or marriage;*

4 *(V) The declarant of the association or an affiliate of the*  
5 *declarant;*

6 *(VI) A unit’s owner or resident of the association; or*

7 *(VII) Any person who stands to gain any personal profit*  
8 *or compensation of any kind from a matter before the executive*  
9 *board of the association other than payment only for conducting*  
10 *voting services for the association.*

11 10. If the declaration requires that votes on specified matters  
12 affecting the condominium hotel must be cast by the lessees of  
13 leased units rather than the units’ owners who have leased the units:

14 (a) This section applies to the lessees as if they were the units’  
15 owners;

16 (b) The units’ owners who have leased their units to the lessees  
17 may not cast votes on those specified matters;

18 (c) The lessees are entitled to notice of meetings, access to  
19 records and other rights respecting those matters as if they were the  
20 units’ owners; and

21 (d) The units’ owners must be given notice, in the manner  
22 provided in this chapter, of all meetings at which the lessees are  
23 entitled to vote.

24 11. If any votes are allocated to a unit that is owned by the  
25 association, those votes may not be cast, by proxy or otherwise, for  
26 any purpose.

27 *12. As used in this section, “online voting system” means an*  
28 *Internet-based voting system with a process that has the ability:*

29 *(a) To authenticate:*

30 *(1) The identity of a unit’s owner; and*

31 *(2) The validity of each electronic vote to ensure that the*  
32 *vote is not altered in transit;*

33 *(b) To enable a unit’s owner to transmit an electronic ballot to*  
34 *the online voting system in a way that ensures the secrecy and*  
35 *integrity of the ballot;*

36 *(c) To transmit an electronic receipt to each unit’s owner who*  
37 *casts an electronic vote;*

38 *(d) To separate any authenticating or identifying information*  
39 *from an electronic ballot, thereby rendering it impossible to match*  
40 *an electronic ballot to a specific unit’s owner;*

41 *(e) To store electronic votes and keep them accessible to units’*  
42 *owners and the Office of the Ombudsman for the purposes of*  
43 *recounts, inspections and reviews;*

44 *(f) To count all lawful votes; and*



1 *(g) To identify, reject and record the basis for rejection of all*  
2 *unlawful votes, including, without limitation, a vote by a unit's*  
3 *owner whose voting rights have been suspended, a vote by a*  
4 *person who is not a unit's owner and duplicate votes.*

5 **Sec. 11.** NRS 116B.615 is hereby amended to read as follows:

6 116B.615 **1.** Money in the reserve account of an association  
7 required by NRS 116B.590 may not be withdrawn without the  
8 signatures of at least two members of the executive board or  
9 the signatures of at least one member of the executive board and one  
10 officer of the association who is not a member of the executive  
11 board.

12 **2.** *Except as otherwise provided in subsection 3, money in the*  
13 *operating account of an association may not be withdrawn without*  
14 *the signatures of at least one member of the executive board or*  
15 *one officer of the association and a member of the executive*  
16 *board, an officer of the association or the community manager.*

17 **3.** *Money in the operating account of an association may be*  
18 *withdrawn without the signatures required pursuant to subsection*  
19 *2 to:*

20 *(a) Transfer money to the reserve account of the association at*  
21 *regular intervals;*

22 *(b) Make automatic payments for utilities;*

23 *(c) Make automatic payments for the cost of any insurance*  
24 *policies maintained pursuant to NRS 116.3113;*

25 *(d) Make automatic payments for telecommunications services*  
26 *maintained by the association, including, without limitation,*  
27 *telephone, cable, satellite and Internet services;*

28 *(e) Make automatic payments for any services to the*  
29 *association that are billed on a monthly, quarterly or annual*  
30 *basis;*

31 *(f) Make annual payments to the Office of the Ombudsman;*

32 *(g) Make an electronic transfer of money to a state agency*  
33 *pursuant to NRS 353.1467; or*

34 *(h) Make an electronic transfer of money to the United States*  
35 *Government, or any agency thereof, pursuant to any federal law*  
36 *requiring transfers of money to be made by an electronic means*  
37 *authorized by the United States Government or the agency thereof.*

38 **4.** *An association may use electronic signatures to withdraw*  
39 *money in the operating account of the association if:*

40 *(a) The electronic transfer of money is made pursuant to a*  
41 *written agreement entered into between the association and the*  
42 *financial institution where the operating account of the*  
43 *association is maintained;*

44 *(b) The executive board has expressly authorized the electronic*  
45 *transfer of money; and*



1     (c) *The association has established internal accounting*  
2 *controls which comply with generally accepted accounting*  
3 *principles to safeguard the assets of the association.*

4     5. *As used in this section, “electronic transfer of money” has*  
5 *the meaning ascribed to it in NRS 353.1467.*

6     **Sec. 12.** 1. This section becomes effective upon passage and  
7 approval.

8     2. Section 6 of this act becomes effective:

9     (a) Upon passage and approval for the purpose of adopting  
10 regulations and performing any other preparatory administrative  
11 tasks that are necessary to carry out the provisions of that section;  
12 and

13     (b) On October 1, 2023, for all other purposes.

14     3. Sections 1 to 5, inclusive, and 8 to 11, inclusive, of this act  
15 become effective on October 1, 2023.

16     4. Section 7 of this act becomes effective on the effective date  
17 of the regulations adopted by the Commission for Common-Interest  
18 Communities and Condominium Hotels establishing the  
19 requirements relating to the transfer of all books, records and other  
20 papers of a client upon the termination or assignment of a  
21 management agreement pursuant to that section.

