

Amendment No. 319

Assembly Amendment to Assembly Bill No. 309	(BDR 10-960)
Proposed by: Assembly Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

MR/BAW



Date: 4/23/2023

A.B. No. 309—Revises various provisions governing common-interest communities and condominium hotels. (BDR 10-960)



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.

~

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 members of
2 the executive board of a unit-owners’ association of a common-interest community and the
3 election of delegates or representatives to exercise the voting rights of units’ owners in certain
4 common-interest communities; and (2) requires that the election and removal of such
5 members, as applicable, be conducted by secret written ballot. (NRS 116.31034, 116.31036,
6 116.31105) **Sections 1 and 2** of this bill, respectively, authorize the use of secret electronic
7 ballots for the election or removal of any member of the executive board and require that the

8 results of such ballots be reviewed, announced and entered into the record at a meeting of the
9 association. **Section 4** of this bill makes conforming changes to provide the same authority
10 and impose the same requirement with regard to the election of delegates or representatives to
11 exercise the voting rights of units' owners. **Section 2** additionally provides that, with regard to
12 the removal of a member of the executive board that will be voted on by secret ballot, the
13 member who is the subject of the removal may submit a written request for a meeting of the
14 executive board, which must occur before the meeting scheduled for a vote on the member's
15 removal, at which the removal will be discussed as an agenda item. **Section 2** requires notice
16 of such a requested meeting to be given to the units' owners not later than 5 days after receipt
17 of the written request.

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

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

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

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

61 Existing law imposes certain requirements on community managers regarding the transfer
62 of the possession of all books, records and other papers of a client upon the termination or
63 assignment of a management agreement. (NRS 116A.620) **Section 6** of this bill instead
64 requires the Commission for Common-Interest Communities and Condominium Hotels to
65 adopt regulations establishing the requirements relating to such a transfer. **Section 7** of this

66 bill makes a conforming change to remove the provisions of existing law relating to such a
67 transfer when the Commission has adopted the regulations required by **section 6**.

68 **Sections 8, 9, 9.5 and 10** of this bill generally replicate the changes made by **sections 1,**
69 **2, 2.5 and 3** in the corresponding provisions of law that apply to condominium hotels.
70 **Section 11** of this bill replicates the existing provisions of and changes made to **section 5** and
71 applies such provisions to condominium hotels.

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 follows:

2 116.31034 1. Except as otherwise provided in subsection 5 of NRS
3 116.212, not later than the termination of any period of declarant's control, the
4 units' owners shall elect an executive board of at least three members, all of whom
5 must be units' owners. The executive board shall elect the officers of the
6 association. Unless the governing documents provide otherwise, the officers of the
7 association are not required to be units' owners. The members of the executive
8 board and the officers of the association shall take office upon election.

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

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

- 17 (a) Members of the executive board who are appointed by the declarant; and
18 (b) Members of the executive board who serve a term of 1 year or less.

19 4. Not less than 30 days before the preparation of a ballot for the election of
20 members of the executive board, the secretary or other officer specified in the
21 bylaws of the association shall cause notice to be given to each unit's owner of the
22 unit's owner's eligibility to serve as a member of the executive board. Each unit's
23 owner who is qualified to serve as a member of the executive board may have his or
24 her name placed on the ballot along with the names of the nominees selected by the
25 members of the executive board or a nominating committee established by the
26 association.

27 5. Before the secretary or other officer specified in the bylaws of the
28 association causes notice to be given to each unit's owner of his or her eligibility to
29 serve as a member of the executive board pursuant to subsection 4, the executive
30 board may determine that if, at the closing of the prescribed period for nominations
31 for membership on the executive board, the number of candidates nominated for
32 membership on the executive board is equal to or less than the number of members
33 to be elected to the executive board at the election, then:

34 (a) The association will not prepare or ~~mail~~ *provide* any ballots to units'
35 owners pursuant to this section; and

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

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

1 7. If, at the closing of the prescribed period for nominations for membership
2 on the executive board, the number of candidates nominated for membership on the
3 executive board is less than the number of members to be elected to the executive
4 board at the election, the executive board may fill the remaining vacancies on the
5 executive board by appointment of the executive board at a meeting of the
6 executive board held after the candidates are elected pursuant to subsection 5. Any
7 such person appointed to the executive board shall serve as a member of the
8 executive board until the next regularly scheduled election of members of the
9 executive board. An executive board member elected to a previously appointed
10 position which was temporarily filled by board appointment pursuant to this
11 subsection may only be elected to fulfill the remainder of that term.

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

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

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

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

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

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

30 ➤ The candidate must make all disclosures required pursuant to this subsection in
31 writing to the association with his or her candidacy information. Except as
32 otherwise provided in this subsection, the association shall distribute the
33 disclosures, on behalf of the candidate, to each member of the association with the
34 ballot or, in the event ballots are not prepared and ~~mailed~~ *provided* pursuant to
35 subsection 5, in the next regular mailing of the association. The association is not
36 obligated to distribute any disclosure pursuant to this subsection if the disclosure
37 contains information that is believed to be defamatory, libelous or profane.

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

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

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

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

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

51 (b) A person may not be a candidate for or member of the executive board of a
52 master association or an officer of that master association if the person, the person's

1 spouse or the person's parent or child, by blood, marriage or adoption, performs the
2 duties of a community manager for:

3 (1) That master association; or

4 (2) Any association that is subject to the governing documents of that
5 master association.

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

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

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

14 **↳ unless the person owning 75 percent or more of the units in the association and
15 the other person would constitute a majority of the total number of seats on the
16 executive board.**

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

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

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

23 **↳ if the number of candidates nominated for membership on the executive board is
24 less than or equal to the number of members to be elected to the executive board.**

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

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

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

31 14. An officer, employee, agent or director of a corporate owner of a unit, a
32 trustee or designated beneficiary of a trust that owns a unit, a partner of a
33 partnership that owns a unit, a member or manager of a limited-liability company
34 that owns a unit, and a fiduciary of an estate that owns a unit may be an officer of
35 the association or a member of the executive board. In all events where the person
36 serving or offering to serve as an officer of the association or a member of the
37 executive board is not the record owner, the person shall file proof in the records of
38 the association that:

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

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

43 15. Except as otherwise provided in subsection 5 or NRS *116.311 or*
44 *116.31105*, the election of any member of the executive board must be conducted
45 by secret ~~[written]~~ ballot in the following manner:

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

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

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

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

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

9 (d) Only the secret ~~written~~ ballots that ~~are returned to~~ the association
10 ***receives by physical or electronic means*** may be counted to determine the outcome
11 of the election.

12 (e) ~~The secret written ballots must be opened and counted at~~ ***At*** the meeting
13 of the units' owners held pursuant to subsection 1 of NRS 116.3108 ~~by~~, ***the secret***
14 ***ballots physically received by the association must be opened and counted and the***
15 ***results of the secret ballots received by the association by electronic means must***
16 ***be reviewed, announced and entered into the record.*** A quorum is not required to
17 be present when the secret ~~written~~ ballots ***physically received by the association***
18 are opened and counted ***or the results of the secret ballots received by the***
19 ***association by electronic means are reviewed, announced and entered into the***
20 ***record*** at the meeting.

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

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

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

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

40 (1) Must be no longer than a single, typed page;

41 (2) Must not contain any defamatory, libelous or profane information; and

42 (3) May be sent with ~~the~~ ***a*** secret ballot mailed pursuant to subsection 15
43 or in a separate mailing; or

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

48 (1) A list of the mailing address of each unit, which must not include the
49 names of the units' owners or the name of a unit's owner; or

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

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

4 (II) The voting rights of those owners are not exercised by delegates or
5 representatives, the mailing address of the association established pursuant to NRS
6 119A.520. If the mailing address of the association is provided to the candidate
7 pursuant to this sub-subparagraph, the association must send to each owner of a
8 time share within the time share plan the campaign material provided by the
9 candidate. If the campaign material will be sent by mail, the candidate who
10 provides the campaign material must provide to the association a separate copy of
11 the campaign material for each owner and must pay the actual costs of mailing
12 before the campaign material is mailed. If the campaign material will be sent by
13 electronic transmission, the candidate must provide to the association one copy of
14 the campaign material in an electronic format.

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

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

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

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

34 116.31036 1. Notwithstanding any provision of the declaration or bylaws to
35 the contrary, any member of the executive board, other than a member appointed by
36 the declarant, may be removed from the executive board, with or without cause, if
37 at a removal election held pursuant to this section, the number of votes cast in favor
38 of removal constitutes:

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

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

42 2. A removal election may be called by units' owners constituting at least 10
43 percent, or any lower percentage specified in the bylaws, of the total number of
44 voting members of the association. To call a removal election, the units' owners
45 must submit a written petition which is signed by the required percentage of the
46 total number of voting members of the association pursuant to this subsection and
47 which is mailed, return receipt requested, or served by a process server to the
48 executive board or the community manager for the association. If a removal
49 election is called pursuant to this subsection and:

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

52 (1) The secret ~~written~~ ballots for the removal election must be ~~sent~~
53 *mailed, provided or made available* in the manner required by this section not less

1 than 15 days or more than 60 days after the date on which the petition is received .
2 ~~[-and]~~

3 (2) The executive board shall set the date for the meeting to open and count
4 the secret ~~[-written]~~ ballots *physically received by the association and to review,*
5 *announce and enter into the record the results of the secret ballots received by the*
6 *association by electronic means* so that the meeting is held not more than 15 days
7 after the deadline for returning the secret ~~[-written]~~ ballots *by physical or electronic*
8 *means* and not later than 90 days after the date on which the petition was received.

9 (3) *Upon written request submitted to the community manager, president*
10 *or secretary of the association by a member of the executive board who is the*
11 *subject of the removal election, the secretary or other officer specified in the*
12 *bylaws of the association shall cause notice of a meeting of the executive board to*
13 *be given to the units' owners not later than 5 days after receipt of the written*
14 *request. The notice must include the date, time and location of the meeting, as*
15 *requested by the member of the executive board who is the subject of the removal*
16 *election, and identify the removal of the member from the executive board as an*
17 *agenda item listed for discussion. A meeting requested pursuant to this*
18 *subparagraph must occur before the date for the meeting set by the executive*
19 *board pursuant to subparagraph (2).*

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

25 ↪ The association shall not adopt any rule or regulation which prevents or
26 unreasonably interferes with the collection of the required percentage of signatures
27 for a petition pursuant to this subsection.

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

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

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

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

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

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

47 (d) ~~[-The secret written ballots must be opened and counted at]~~ *At* a meeting of
48 the association ~~[-]~~ , *the secret ballots physically received by the association must*
49 *be opened and counted and the results of the secret ballots received by the*
50 *association by electronic means must be reviewed, announced and entered into*
51 *the record.* A quorum is not required to be present when the secret ~~[-written]~~ ballots
52 *physically received by the association* are opened and counted *or the results of the*

1 *secret ballots received by the association by electronic means are reviewed,*
 2 *announced and entered into the record* at the meeting.

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

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

12 116.31068 1. Except as otherwise provided in ~~[subsection 3 and unless a~~
 13 ~~unit's owner opts out of receiving electronic communications or has not designated~~
 14 ~~an electronic mail address,]~~ **subsections 2, 3 and 6,** an association shall deliver any
 15 notice required to be given by the association under this chapter ~~[and any~~
 16 ~~communication from or other information provided by the association]~~ to the
 17 ~~[mailing or]~~ electronic mail ~~[addresses]~~ **address** a unit's owner designates.

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

- 23 (a) Hand delivery to each unit's owner;
 24 (b) Hand delivery, United States mail, postage paid, or commercially
 25 reasonable delivery service to the mailing address of each unit; or
 26 (c) Any other method reasonably calculated to provide notice to the unit's
 27 owner.

28 **~~[2]~~ 3. Except as otherwise provided in subsection 6, if a unit's owner has**
 29 **not opted out of receiving electronic notices, but has not designated an electronic**
 30 **mail address at which to receive notices pursuant to this section, the association**
 31 **may deliver any notice required to be given by the association pursuant to this**
 32 **chapter by:**

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

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

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

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

42 **~~[3]~~ 6.** The provisions of this section do not apply:

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

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

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

48 116.311 1. Unless prohibited or limited by the declaration or bylaws and
 49 except as otherwise provided in this section, units' owners may vote at a meeting in
 50 person, by absentee ballot pursuant to paragraph (d) of subsection 2, by a proxy
 51 pursuant to subsections 3 to 8, inclusive, or, when a vote is conducted without a
 52 meeting, by electronic or paper ballot pursuant to subsection 9.

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

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

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

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

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

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

21 3. Except as otherwise provided in this section, votes allocated to a unit may
22 be cast pursuant to a proxy executed by a unit's owner. A unit's owner may give a
23 proxy only to a member of his or her immediate family, a tenant of the unit's owner
24 who resides in the common-interest community, another unit's owner who resides
25 in the common-interest community, or a delegate or representative when authorized
26 pursuant to NRS 116.31105. If a unit is owned by more than one person, each
27 owner of the unit may vote or register protest to the casting of votes by the other
28 owners of the unit through an executed proxy. A unit's owner may revoke a proxy
29 given pursuant to this section only by actual notice of revocation to the person
30 presiding over a meeting of the association.

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

32 (a) The proxy must be dated.

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

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

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

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

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

1 6. Except as otherwise provided in this subsection, a vote may not be cast
2 pursuant to a proxy for the election or removal of a member of the executive board
3 of an association. A vote may be cast pursuant to a proxy for the election or
4 removal of a member of the executive board of a master association which governs
5 a time-share plan created pursuant to chapter 119A of NRS if the proxy is exercised
6 through a delegate or representative authorized pursuant to NRS 116.31105.

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

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

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

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

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

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

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

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

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

30 (1) Indicate the number of responses needed to meet the quorum
31 requirements;

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

34 (3) Specify the time and date by which a ballot must be delivered to the
35 association to be counted, which time and date may not be fewer than 3 days after
36 the date the association delivers the ballot; and

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

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

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

45 *(g) If the vote is for the election or removal of a member of the executive*
46 *board and the [association allows the] executive board chooses to use [off]*
47 *electronic voting:*

48 *(1) [Upon the request of a unit's owner, an association shall provide a*
49 *form to the unit's owner that allows the unit's owner to opt out of receiving*
50 *electronic ballots and instead receive paper ballots.] If the vote is for the election*
51 *of a member of the executive board, the association must send or provide, in the*
52 *manner and time that ballots are sent or provided pursuant to paragraph (a) of*

1 subsection 15 of NRS 116.31034 or paragraph (a) of subsection 7 of NRS
2 116.31105:

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

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

9 (2) ~~If a unit's owner has not given the association an electronic mail~~
10 ~~address or has opted out of using electronic ballots by returning to the~~
11 ~~association the form provided pursuant to subparagraph (I) at any time not less~~
12 ~~than 5 days before the date of the meeting when the votes will be counted,] the~~
13 ~~vote is for the removal of a member of the executive board, the association [shall]~~
14 ~~must send [a] or provide, in the manner and time that ballots are sent or provided~~
15 ~~pursuant to subparagraph (I) of paragraph (a) of subsection 2 of NRS~~
16 ~~116.31036:~~

17 (I) A paper ballot and a return envelope, prepaid by United States
18 mail, to [the mailing address of the unit's owner or to any other mailing address
19 designated in writing by the] any unit's owner [a] who has opted out of receiving
20 electronic notices pursuant to subsection 2 of NRS 116.31068; and

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

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

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

44 (5) *Any electronic voting must be conducted by an independent third-*
45 *party through the use of an online voting system, a voting machine, or both an*
46 *online voting system and a voting machine. The independent third-party shall be*
47 *deemed to be a data collector pursuant to NRS 603A.030 and is subject to the*
48 *obligations and liabilities of chapter 603A of NRS with regard to the security and*
49 *privacy of any personal information, as that term is defined in NRS 603A.040,*
50 *that is provided or maintained through the use of an online voting system or*
51 *voting machine. The independent third-party conducting the electronic voting*
52 *may not be any of the following persons and may not share voting results or*

1 *information with any of the following persons before the meeting held pursuant*
2 *to subparagraph (4):*

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

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

10 *(III) An officer, employee, agent or director of a corporate owner of*
11 *a unit, a trustee or designated beneficiary of a trust that owns a unit, a partner of*
12 *a partnership that owns a unit, a member or manager of a limited-liability*
13 *company that owns a unit or a fiduciary of an estate that owns a unit if the unit is*
14 *also owned by another person who is a member of the executive board or an*
15 *officer of the association or serves as the community manager for the*
16 *association;*

17 *(IV) A person who performs the duties of a community manager for*
18 *the association, an affiliate of the community manager, an employee of the*
19 *company by whom the community manager is employed or an affiliate of the*
20 *company, the spouse of any such person or the parent or child of any such person*
21 *by blood, adoption or marriage;*

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

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

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

28 10. If the declaration requires that votes on specified matters affecting the
29 common-interest community must be cast by the lessees of leased units rather than
30 the units' owners who have leased the units:

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

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

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

36 (d) The units' owners must be given notice, in the manner provided in NRS
37 116.3108, of all meetings at which the lessees are entitled to vote.

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

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

42 (a) *To authenticate:*

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

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

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

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

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

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

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

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

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

9 116.31105 1. Except as otherwise provided in subsection 8, if the
10 declaration so provides, in a common-interest community that consists of at least
11 1,000 units, the voting rights of the units' owners in the association for that
12 common-interest community may be exercised by delegates or representatives
13 except that, in the election or removal of a member of the executive board, the
14 voting rights of the units' owners may not be exercised by delegates or
15 representatives.

16 2. Except as otherwise provided in subsection 8, in addition to a common-
17 interest community identified in subsection 1, if the declaration so provides, in a
18 common-interest community created before October 1, 1999, the voting rights of
19 the units' owners in the association for that common-interest community may be
20 exercised by delegates or representatives except that, in the election or removal of a
21 member of the executive board, the voting rights of the units' owners may not be
22 exercised by delegates or representatives.

23 3. In addition to a common-interest community identified in subsections 1 and
24 2, if the declaration so provides, the voting rights of the owners of time shares
25 within a time-share plan created pursuant to chapter 119A of NRS which is
26 governed by a master association may be exercised by delegates or representatives.

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

31 5. For the purposes of subsection 3, each time share that a developer has
32 reserved the right to create pursuant to paragraph (g) of subsection 2 of NRS
33 119A.380 must be counted in determining the number of time shares in a time-
34 share plan.

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

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

39 (a) The secretary or other officer of the association specified in the bylaws of
40 the association shall cause a secret ~~[written]~~ *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 return
43 envelope, ~~[to be sent,]~~ prepaid by United States mail, to the mailing address of
44 each unit within the common-interest community or to any other mailing address
45 designated in writing by the unit's owner ~~[;]~~ *; or*

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

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

1 (c) Only the secret ~~{written}~~ ballots that ~~{are returned to}~~ the association ~~{in the~~
2 ~~manner prescribed on the ballot}~~ *receives by physical or electronic means* may be
3 counted to determine the outcome of the election.

4 (d) ~~{The secret written ballots must be opened and counted at}~~ *At* a meeting
5 called for the purpose of electing delegates or representatives ~~{, the secret ballots~~
6 *physically received by the association must be opened and counted and the results*
7 *of the secret ballots received by the association by electronic means must be*
8 *reviewed, announced and entered into the record.* A quorum is not required to be
9 present when the secret ~~{written}~~ ballots *physically received by the association*
10 *are opened and counted* *or the results of the secret ballots received by the association*
11 *by electronic means are reviewed, announced and entered into the record* at the
12 meeting.

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

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

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

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

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

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

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

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

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

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

44 (b) Make automatic payments for utilities;

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

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

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

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

1 (g) Make an electronic transfer of money to a state agency pursuant to NRS
2 353.1467; or

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

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

9 (a) The electronic transfer of money is made pursuant to a written agreement
10 entered into between the association and the financial institution where the
11 operating account of the association is maintained;

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

14 (c) The association has established internal accounting controls which comply
15 with generally accepted accounting principles to safeguard the assets of the
16 association.

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

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

20 116A.620 1. Any management agreement must:

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

22 (b) Be entered into between the client and the community manager or the
23 employer of the community manager if the community manager is acting on behalf
24 of a corporation, partnership, limited partnership, limited-liability partnership,
25 limited-liability company or other entity;

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

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

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

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

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

35 (3) Reimbursable expenses;

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

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

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

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

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

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

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

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

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

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

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

3 (l) Include provisions for dispute resolution;

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

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

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

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

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

16 (a) Provide for mandatory binding arbitration; or

17 (b) Allow the provisions of the management agreement to apply month to
18 month following the end of the term of the management agreement, but the
19 management agreement may not contain an automatic renewal provision.

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

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

24 (b) The total amount of coverage; and

25 (c) The amount of any deductible.

26 4. After signing a management agreement, the community manager shall
27 provide a copy of the management agreement to each member of the executive
28 board. Within 30 days after an election or appointment of a new member to the
29 executive board, the community manager shall provide the new member with a
30 copy of the management agreement.

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

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

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

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

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

50 116A.620 1. Any management agreement must:

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

52 (b) Be entered into between the client and the community manager or the
53 employer of the community manager if the community manager is acting on behalf

1 of a corporation, partnership, limited partnership, limited-liability partnership,
2 limited-liability company or other entity;

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

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

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

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

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

12 (3) Reimbursable expenses;

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

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

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

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

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

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

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

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

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

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

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

33 (l) Include provisions for dispute resolution;

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

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

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

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

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

46 (a) Provide for mandatory binding arbitration; or

47 (b) Allow the provisions of the management agreement to apply month to
48 month following the end of the term of the management agreement, but the
49 management agreement may not contain an automatic renewal provision.

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

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

1 (b) The total amount of coverage; and

2 (c) The amount of any deductible.

3 4. After signing a management agreement, the community manager shall
4 provide a copy of the management agreement to each member of the executive
5 board. Within 30 days after an election or appointment of a new member to the
6 executive board, the community manager shall provide the new member with a
7 copy of the management agreement.

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

11 ~~6. [Until the regulations adopted by the Commission pursuant to subsection 8~~
12 ~~become effective, and except as otherwise provided in the management agreement,~~
13 ~~upon the termination or assignment of a management agreement, the community~~
14 ~~manager shall, within 30 days after the termination or assignment, transfer~~
15 ~~possession of all books, records and other papers of the client to the succeeding~~
16 ~~community manager, or to the client if there is no succeeding community manager,~~
17 ~~regardless of any unpaid fees or charges to the community manager or management~~
18 ~~company.~~

19 ~~— 7.]~~ Notwithstanding any provision in a management agreement to the
20 contrary, a management agreement may be terminated by the client without penalty
21 upon 30 days' notice following a violation by the community manager of any
22 provision of this chapter or chapter 116 of NRS.

23 ~~[8.]~~ 7. The Commission shall adopt regulations establishing the requirements
24 relating to the transfer of all books, records and other papers of the client upon the
25 termination or assignment of a management agreement.

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

27 116B.445 1. Not later than the termination of any period of declarant's
28 control, the units' owners shall elect an executive board of at least three members.
29 At least a majority of the members of the executive board must be residential unit
30 owners and at least one member of the executive board must be a duly authorized
31 representative of the hotel unit owner. The executive board shall elect the officers
32 of the association. The members of the executive board and the officers of the
33 association shall take office upon election.

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

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

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

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

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

46 4. Not less than 30 days before the preparation of a ballot for the election of
47 members of the executive board, the secretary or other officer specified in the
48 bylaws of the association shall cause notice to be given to each unit's owner of his
49 or her eligibility to serve as a member of the executive board. Each unit's owner
50 who is qualified to serve as a member of the executive board may have his or her
51 name placed on the ballot along with the names of the nominees selected by the
52 members of the executive board or a nominating committee established by the
53 association.

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

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

7 (b) Disclose whether the candidate is a member in good standing. For the
8 purposes of this paragraph, a candidate shall not be deemed to be in “good
9 standing” if the candidate has any unpaid and past due assessments or charges that
10 are required to be paid to the association.

11 ➤ The candidate must make all disclosures required pursuant to this subsection in
12 writing to the association with his or her candidacy information. The association
13 shall distribute the disclosures to each member of the association with the ballot in
14 the manner established in the bylaws of the association.

15 6. Unless a person is appointed by the declarant, a person may not be a
16 member of the executive board or an officer of the association if the person, the
17 person’s spouse or the person’s parent or child, by blood, marriage or adoption,
18 performs the duties of a community manager for that association.

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

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

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

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

34 (a) The secretary or other officer specified in the bylaws of the association
35 shall cause a secret *paper or electronic* ballot *to be provided to each unit’s owner*
36 and :

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

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

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

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

49 (d) Only the secret ~~written~~ ballots that ~~are returned to~~ the association
50 *receives by physical or electronic means* may be counted to determine the outcome
51 of the election.

52 (e) ~~The secret written ballots must be opened and counted at~~ *At* a meeting of
53 the association ~~[-]~~, *the secret ballots physically received by the association must*

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

7 (f) The incumbent members of the executive board and each person whose
8 name is placed on the ballot as a candidate for a member of the executive board
9 may not possess, be given access to or participate in the opening or counting of the
10 secret ~~{written}~~ ballots that ~~{are returned to}~~ the association *physically receives, or*
11 *the collection of data regarding the secret ballots that the association receives by*
12 *electronic means*, before those secret ~~{written}~~ ballots have been opened and
13 counted *or reviewed, announced and entered into the record, as applicable*, at a
14 meeting of the association.

15 9. Each member of the executive board shall, within 90 days after his or her
16 appointment or election, certify in writing to the association, on a form prescribed
17 by the Administrator, that the member has read and understands the governing
18 documents of the association and the provisions of this chapter to the best of the
19 member's ability. The Administrator may require the association to submit a copy
20 of the certification of each member of the executive board of that association at the
21 time the association registers with the Ombudsman pursuant to NRS 116B.625.

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

23 116B.450 1. Notwithstanding any provision of the declaration or bylaws to
24 the contrary, any member of the executive board, other than a member appointed by
25 the declarant or elected by the hotel unit owner, may be removed from the
26 executive board, with or without cause, if at a removal election held pursuant to this
27 section, the number of votes cast in favor of removal constitutes:

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

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

31 2. A removal election may be called by units' owners constituting at least 10
32 percent, or any lower percentage specified in the bylaws, of the total number of
33 voting members of the association. To call a removal election, the units' owners
34 must submit a written petition which is signed by the required percentage of the
35 total number of voting members of the association pursuant to this subsection and
36 which is mailed, return receipt requested, or served by a process server to the
37 executive board or the community manager for the association. If a removal
38 election is called pursuant to this subsection and the voting rights of the units'
39 owners will be exercised through the use of secret ~~{written}~~ ballots pursuant to this
40 section:

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

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

50 (c) *Upon written request submitted to the community manager, president or*
51 *secretary of the association by a member of the executive board who is the subject*
52 *of the removal election, the secretary or other officer specified in the bylaws of*
53 *the association shall cause notice of a meeting of the executive board to be given*

1 *to the units' owners not later than 5 days after receipt of the written request. The*
 2 *notice must include the date, time and location of the meeting, as requested by the*
 3 *member of the executive board who is the subject of the removal election, and*
 4 *identify the removal of the member from the executive board as an agenda item*
 5 *listed for discussion. A meeting requested pursuant to this paragraph must occur*
 6 *before the date for the meeting set by the executive board pursuant to paragraph*
 7 *(b).*

8 3. ~~The~~ *Except as otherwise provided in NRS 116B.550, the* removal of any
 9 member of the executive board must be conducted by secret ~~written~~ ballot as
 10 follows:

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

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

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

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

24 (c) Only the secret ~~written~~ ballots that ~~are returned to~~ the association
 25 *received by physical or electronic means* may be counted to determine the
 26 outcome.

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

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

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

44 116B.513 1. Except as otherwise provided in ~~subsection 3,~~ *subsections 2,*
 45 *3 and 6,* an association or a hotel unit owner, as applicable, shall deliver any notice
 46 required to be given by the association or the hotel unit owner under this chapter to
 47 ~~any mailing or~~ *the* electronic mail address a unit's owner designates.

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

52 (a) Hand delivery to the unit's owner;

1 (b) Hand delivery, United States mail, postage paid, or commercially
2 reasonable delivery service to the mailing address of the unit of the unit's owner; or

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

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

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

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

19 ~~3.~~ 6. The provisions of this section do not apply:

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

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

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

25 116B.550 1. Unless prohibited or limited by the declaration or bylaws and
26 except as otherwise provided in this section, the units' owners may vote at a
27 meeting in person, by absentee ballot pursuant to paragraph (d) of subsection 2, by
28 a proxy pursuant to subsections 3 to 8, inclusive, or, when a vote is conducted
29 without a meeting, by paper or electronic ballot pursuant to subsection 9.

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

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

34 (b) If only one of several owners of a unit is present, that owner is entitled to
35 cast all the votes allocated to that unit. If more than one of the owners are present,
36 the votes allocated to that unit may be cast only in accordance with the agreement
37 of a majority in interest of the owners, unless the declaration expressly provides
38 otherwise. There is majority agreement if any one of the owners cast the votes
39 allocated to the unit without protest being made promptly to the person presiding
40 over the meeting by any of the other owners of the unit.

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

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

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

51 3. Except as otherwise provided in this section, votes allocated to a unit may
52 be cast pursuant to a proxy executed by a unit's owner. A unit's owner may give a
53 proxy only to a member of his or her immediate family, a tenant of the unit's owner

1 who resides in the condominium hotel, the hotel unit owner or another unit's owner
2 who resides in the condominium hotel. If a unit is owned by more than one person,
3 each owner of the unit may vote or register protest to the casting of votes by the
4 other owners of the unit through an executed proxy. A unit's owner may revoke a
5 proxy given pursuant to this section only by actual notice of revocation to the
6 person presiding over a meeting of the association.

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

8 (a) The proxy must be dated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (3) Specify the time and date by which a ballot must be delivered to the
6 association to be counted, which time and date may not be fewer than 3 days after
7 the date the association delivers the ballot; and

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

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

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

16 (g) *If the vote is for the election or removal of a member of the executive
17 board and the ~~association allows the~~ executive board chooses to use ~~off~~
18 electronic voting:*

19 (1) ~~Upon the request of a unit's owner, an association shall provide a
20 form to the unit's owner that allows the unit's owner to opt out of receiving
21 electronic ballots and instead receive paper ballots.~~ *If the vote is for the election
22 of a member of the executive board, an association shall send or provide, in the
23 manner and time that ballots are sent or provided pursuant to paragraph (a) of
24 subsection 8 of NRS 116B.445:*

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

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

31 (2) ~~If [a unit's owner has not given the association an electronic mail
32 address or has opted out of using electronic ballots by returning to the
33 association the form provided pursuant to subparagraph (1) at any time not less
34 than 5 days before the date of the meeting when the votes will be counted,] the
35 vote is for the removal of a member of the executive board, the association [shall
36 must send ~~fa~~ or provide, in the manner and time that ballots are sent or provided
37 pursuant to paragraph (a) of subsection 2 of NRS 116B.450:~~

38 (I) *A paper ballot and a return envelope, prepaid by United States
39 mail, to ~~the mailing address of the unit's owner or to any other mailing address
40 designated in writing by the~~ any unit's owner ~~[.]~~ who has opted out of receiving
41 electronic notices pursuant to subsection 2 of NRS 116B.513; and*

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

45 (3) *If the association allows units' owners to vote by using a voting
46 machine, the association must provide to each unit's owner, not less than 15 days
47 before the date on which voting begins, a notice of the opportunity to vote by
48 using a voting machine that provides the location at which the voting machine
49 will be available for use and the days and times during which the voting machine
50 will be available for use. The association shall also provide with the notice a form
51 that allows a unit's owner to opt out of voting by using a voting machine and
52 instead receive a paper ballot. If a unit's owner returns the form to the
53 association within 15 days after receiving the notice, the association shall send a*

1 *paper ballot and a return envelope, prepaid by United States mail, to the mailing*
2 *address of the unit's owner or to any other mailing address designated in writing*
3 *by the unit's owner.*

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

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

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

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

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

37 *(IV) A person who performs the duties of a community manager for*
38 *the association, an affiliate of the community manager, an employee of the*
39 *company by whom the community manager is employed or an affiliate of the*
40 *company, the spouse of any such person or the parent or child of any such person*
41 *by blood, adoption or marriage;*

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

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

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

48 10. If the declaration requires that votes on specified matters affecting the
49 condominium hotel must be cast by the lessees of leased units rather than the units'
50 owners who have leased the units:

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

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

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

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

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

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

9 (a) To authenticate:

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

11 (2) The validity of each electronic vote to ensure that the vote is not
12 altered in transit;

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

15 (c) To transmit an electronic receipt to each unit's owner who casts an
16 electronic vote;

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

20 (e) To store electronic votes and keep them accessible to units' owners and
21 the Office of the Ombudsman for the purposes of recounts, inspections and
22 reviews;

23 (f) To count all lawful votes; and

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

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

28 116B.615 1. Money in the reserve account of an association required by
29 NRS 116B.590 may not be withdrawn without the signatures of at least two
30 members of the executive board or the signatures of at least one member of the
31 executive board and one officer of the association who is not a member of the
32 executive board.

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

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

40 (a) Transfer money to the reserve account of the association at regular
41 intervals;

42 (b) Make automatic payments for utilities;

43 (c) Make automatic payments for the cost of any insurance policies
44 maintained pursuant to NRS 116.3113;

45 (d) Make automatic payments for telecommunications services maintained
46 by the association, including, without limitation, telephone, cable, satellite and
47 Internet services;

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

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

51 (g) Make an electronic transfer of money to a state agency pursuant to NRS
52 353.1467; or

1 (h) *Make an electronic transfer of money to the United States Government,*
2 *or any agency thereof, pursuant to any federal law requiring transfers of money*
3 *to be made by an electronic means authorized by the United States Government*
4 *or the agency thereof.*

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

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

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

12 (c) *The association has established internal accounting controls which*
13 *comply with generally accepted accounting principles to safeguard the assets of*
14 *the association.*

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

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

18 2. Section 6 of this act becomes effective:

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

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

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

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