

UNSOLICITED
EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 5, 2023

Agency Submitting: Department of Business and Industry, Real Estate Division

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
CAT 00 Revenue (Revenue)		(\$7,157,273)	(\$7,256,431)	(\$14,512,862)
CAT 01 Personnel Services (Expense)		(\$1,737,160)	(\$1,794,910)	(\$3,589,820)
CAT 02 Out of State Travel (Expense)		(\$1,953)	(\$1,953)	(\$3,906)
CAT 03 In State Travel (Expense)		(\$15,513)	(\$15,513)	(\$31,026)
CAT 04 Operating (Expense)		(\$245,556)	(\$250,575)	(\$501,150)
CAT 11 Real Estate Admin Cost (Expense)		(\$143,847)	(\$145,849)	(\$291,698)
CAT 15 Mediation Expenses (Expense)		(\$36,346)	(\$36,346)	(\$72,692)
Cat 18 Commission Expenses (Expense)		(\$28,654)	(\$28,654)	(\$57,308)
CAT 26 Information Services (Expense)		(\$88,310)	(\$51,622)	(\$103,244)
CAT 30 Training (Expense)		(\$1,219)	(\$1,219)	(\$2,438)
CAT 80 Directors Office Cost Alloc (Expense)		(\$161,547)	(\$165,160)	(\$330,320)
CAt 82 DHRN Cost Alloc (Expense)		(\$6,404)	(\$6,404)	(\$12,808)
CAT 86 Reserve (Expense)		(\$4,525,285)	(\$4,592,257)	(\$9,184,514)
CAT 87 Purchasing Assessment (Expense)		(\$1,411)	(\$1,411)	(\$2,822)
CAT 88 Statewide Cost Allocation (Expense)		(\$25,405)	(\$18,962)	(\$37,924)
CAT 89 AG Cost Allocation Plan (Expense)		(\$138,663)	(\$145,596)	(\$291,192)
null (Expense)				
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 10-3 (SB358) has been reviewed and has been determined to have a fiscal impact. As currently drafted, SB358 repeals existing law governing common-interest communities. This repeal includes the Office of the Ombudsman, The Commission for Common-Interest Communities and Condominium Hotels (CIC Commission) and the HOA Compliance section. All services including mediation, referee, informal conferencing will be eliminated, and private civil action will be the avenue to resolve HOA disputes. Mediation subsidies provided by the Division to homeowners will end.

As drafted, the repeal will also include NRS 116A (Regulation of Community Managers and Other Personnel). This would eliminate the licensing structure for Community Managers and Reserve Study Specialists currently licensed through the Real Estate Division. At last count, there are approximately 770 licensed Community Managers and 33 Reserve Study Specialists.

The Real Estate Division will lose twenty (20) classified positions and one (1) unclassified position. One (1) Commission coordinator assigned to the CIC Commission will also be eliminated.

The following revenue collections will end:

- All registrations of HOA's and the \$4.25 per door fee collected by the Office.
- All revenue from the Licensing and renewal of Community Managers licenses and permits.
- All education related fees collected for continuing education and instructor approval.
- All testing fees for new Community Managers licenses.
- All CIC administrative fines and Commission fines.

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