

2015 End of Session Report

The bills summarized below passed and were signed into law with LAC support. With the tireless effort of its members and our lobbyist, Garrett Gordon, the LAC was able to work with legislators to amend many of these bills to make them workable for Nevada Community Associations, thereby allowing the LAC to support passage.

AB 141 – Requires notice to be sent to all holders of a security interest in a property, and rescinds the requirement for them to request notice. Signed by the governor, effective October 1, 2015.

AB 183 – Establishes a penalty of up to \$500 plus attorney fees and any actual damages to the grantor or any senior lien holder if the grantee for a deed in lieu of foreclosure sale fails to record a deed within 30 days. Signed by the governor, effective October 1, 2015.

AB 192 – Makes changes to declarant control periods for associations of 1,000 units or more. Does not change the declarant control period for association of less than 1,000 units. For 1,000 or more units, the declarant control period ends 60 days after conveyance of 90% of the units to unit owners other than declarant. For associations under 1,000 units, the declarant control period terminates 60 days after conveyance of 75% of the units to unit owners other than declarant. For 1,000 or more units, no later than 60 days after conveyance of 15% of the units that may be created, at least one member and not less than 25% of the members of the board must be elected by unit owners other than declarant. For associations of less than 1,000 units, no later than 60 days after conveyance of 25% of the units that may be created, at least one member and not less than 25% of the members of the board must be elected by unit owners other than declarant. Signed by the governor, effective October 1, 2015.

AB 238 – Requires, when reasonably possible, at least 3 bids for projects expected to cost (1) in an association of less than 1,000 units, 3% or more of the annual budget of the association (2) in an association of 1,000 or more units, 1% or more of the annual budget of the association. The 3 bid requirement was also expanded to include professional services, such as engineering, accounting, and legal services. Finally, bids must be open and read aloud at a board meeting. Signed by the governor, effective July 1, 2015.

AB 301 – Requires associations to permit flying and display of the State of Nevada flag under the same rules as the US flag. Requires governing documents to be amended by October 1, 2015 to be in compliance with this bill. Signed by the governor, effective July 1, 2015.

AB 474 – Raise the limit for fees charged annually to associations by the Real Estate Division from \$3.00 to \$5.00. Signed by governor, effective date July 1, 2016.

SB 39 – Exempts associations formed under Chapter 81 from having to pay the annual state business license fee, an exemption which associations formed under Chapter 82 already enjoyed. Signed by the governor, effective October 1, 2015.

SB 154 – Allows managers to satisfy up to 5 hours of continuing education law credits in one hour increments for observing disciplinary hearings before the Commission or an NRED ADR proceeding

with the permission of the parties involved. Signed by the governor, effective date June 1, 2015 for adopting regulations by the Commission, January 1, 2016 for all other purposes.

SB 174 – Provides that, unless appointed by declarant, a person may not be a candidate for or member of the board or an officer if that person resides with, is married to or domestic partners with, or is related within the third degree of consanguinity to a member of the board or officer. These restrictions do not apply if the number of candidates is equal to or less than the number of seats to be filled. Additionally, if the person stands to gain personal profit or gain from a matter before the board, this person may not be a candidate or member of the board or an officer. The bill also imposes some modest restrictions on investor owners serving on the board. Signed by the governor. Effective date October 1, 2015.

SB 306 – This bill is one negotiated between all interested parties since September of 2014. Provides for the recovery of certain collection costs in addition to up to 9 months of assessments as part of the Super Priority Lien, revises notice provisions relating to foreclosure process and sale, requires financial institutions to provide the name and street address of a person to whom notices may be sent to the Financial Institution Division (to be posted on its website) and provides for a 60 day redemption period following an HOA foreclosure. Requires 30 days for owner to respond to the 60 day collection letter. Signed by the governor, effective October 1, 2015.

SB 377 – If an association does not provide such information that the county assessor determines to be necessary to identify each unit in the community in order to assess each unit for its share of common areas, any taxes on real property must be assessed upon the common elements of the association. Signed by the governor, effective date July 1, 2015.

Not all bills proposed in the 2015 Legislative Session were good for community associations. Working with legislators who understand common interest communities, the LAC was able to defeat the bills summarized below.

AB 233 – This bill would have repealed the Uniform Common Interest Ownership Act in its entirety and left associations without many of the necessary protections the law provides.

AB 240 – This bill would have stripped associations of the right to non-judicially foreclose on delinquent owners and eliminated the super-priority lien which gives Nevada associations the right to up to 9 months of assessments in the event of a lender foreclosure.

AB149 – This bill would have re-defined prohibited retaliatory action so broadly as to potentially make board members liable for the levy of fines or other sanctions for covenant violations.

AB 317 – This bill would have required a majority of owners to approve a capital expenditure in excess of 1% of the association's annual budget and would have given the state administrative agency which oversees common interest communities the authority to issue citations for alleged violations of law.

SB 221 – This bill would have permitted residents to install "coyote rollers" on walls and fences which they did not own and were not responsible to maintain.

The complete text of all of these bills can be found at www.leg.state.nv.us, and click on 78th (2015) Session, Bill Info, then Assembly or Senate Bill, then scroll to the bill number.