
ASSEMBLY BILL NO. 311—ASSEMBLYMEN SETTELMAYER; AIZLEY, BOBZIEN, BUCKLEY, CARPENTER, CHRISTENSEN, COBB, CONKLIN, DENIS, GANSERT, GOEDHART, GOICOECHEA, GRADY, GUSTAVSON, HAMBRICK, HARDY, KIRKPATRICK, MANENDO, MASTROLUCA, MCARTHUR, SMITH, STEWART AND WOODBURY

MARCH 12, 2009

JOINT SPONSORS: SENATORS AMODEI, HARDY
AND WASHINGTON

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing the financial statements of common-interest communities. (BDR 10-389)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to common-interest communities; revising provisions governing the audit and review of financial statements of common-interest communities; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires a unit owners’ association with an annual budget of less
2 than \$75,000 to have its financial statement audited once every 4 fiscal years unless
3 an audit for a fiscal year in which an audit will not be conducted is requested by 15
4 percent of the total number of voting members of the association. This bill requires
5 the financial statement of such an association to be reviewed once every 4 fiscal
6 years unless an audit is otherwise requested by the voting members of the
7 association.
8 Existing law also requires an association with an annual budget of \$75,000 or
9 more but less than \$150,000 to have its financial statement audited once every 4
10 fiscal years and reviewed every fiscal year for which an audit is not conducted. This
11 bill requires the financial statement of such an association to be reviewed every
12 fiscal year unless an audit is otherwise requested by 15 percent of the total number
13 of voting members of the association. (NRS 116.31144)



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

1 **Section 1.** NRS 116.31144 is hereby amended to read as
2 follows:

3 116.31144 1. Except as otherwise provided in subsection 2,
4 the executive board shall:

5 (a) If the annual budget of the association is less than \$75,000,
6 cause the financial statement of the association to be ~~audited~~
7 *reviewed* by an independent certified public accountant ~~at least~~
8 once every 4 fiscal years.

9 (b) If the annual budget of the association is \$75,000 or more
10 but less than \$150,000, cause the financial statement of the
11 association to be ~~;~~

12 ~~— (1) Audited by an independent certified public accountant at~~
13 ~~least once every 4 fiscal years; and~~

14 ~~— (2) Reviewed] reviewed~~ by an independent certified public
15 accountant every fiscal year. ~~{for which an audit is not conducted.}~~

16 (c) If the annual budget of the association is \$150,000 or more,
17 cause the financial statement of the association to be audited by an
18 independent certified public accountant every fiscal year.

19 2. For any fiscal year for which an audit of the financial
20 statement of the association will not be conducted pursuant to
21 subsection 1, the executive board shall cause the financial statement
22 for that fiscal year to be audited by an independent certified public
23 accountant if, within 180 days before the end of the fiscal year, 15
24 percent of the total number of voting members of the association
25 submit a written request for such an audit.

26 3. The Commission shall adopt regulations prescribing the
27 requirements for the auditing or reviewing of financial statements of
28 an association pursuant to this section. Such regulations must
29 include, without limitation:

30 (a) The qualifications necessary for a person to audit or review
31 financial statements of an association; and

32 (b) The standards and format to be followed in auditing or
33 reviewing financial statements of an association.

