

NOTICE OF INTENT TO ACT UPON A REGULATION

NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT OR REPEAL OF REGULATIONS OF THE COMMISSION FOR COMMON- INTEREST COMMUNITIES & CONDOMINIUM HOTELS

LCB FILE No. R050-13

The Nevada Commission for Common-Interest Communities and Condominium Hotels will conduct a public hearing at **9:00 a.m. on Thursday, July 9, 2015, at the Grant Sawyer Building 555 E. Washington Avenue, Room 4412, Las Vegas, Nevada 89101 with video conference to the Legislative Building 401 South Carson Street, Room 2135, Carson City, Nevada 89701.** The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to Chapters 116 and 116A of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.060:

Information Regarding Adoption

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

1. Purpose and need of the proposed regulations

LCB File No. R050-13 amends NAC 116 and 116A regarding the preparation of reserve studies, reserve study specialists registrants and associations' interim financial statements.

2. Terms of the proposed regulations

The proposed regulation revises provisions governing reserve studies and provisions governing the duties of a member of the executive board of a homeowners' association; amends provisions governing the preparation of financial statements by an association; revises provisions governing the qualifications and duties of a person who conducts reserve studies.

3. Estimated Economic Effect

- (a) Adverse effects: Comments in opposition were made regarding the added amendment to section 1 in which the five year period for conducting a reserve study starts on the date on which the on-site inspection is performed. All comments suggested the five year period commence on the first day of the association's fiscal year. There were comments that the reserve study specialist might not know when the last on-site inspection was done.

- (b) Beneficial effects: LCB File No. R050-13 provides a detailed description of the standards expected for the type of reserve study to be performed and the level of service accorded to each type. This will clarify expectations when a reserve study specialist is contracted by a homeowner association. The proposed language specifies tasks required in either a full reserve study or an update to a previous reserve study. The regulation proposes a requirement for qualifying education, continuing education and experience for a reserve study specialist. These requirements will ensure competence and knowledgeable reserve study preparers.
 - (c) Immediate effect: The proposed changes in LCB File No. R050-13 provide clarity to associations regarding requirements for a full reserve study, or an update to a previous reserve study, in order to ensure appropriate contributions when funding the reserve fund. The requirements for a reserve study specialist in NAC 116A will ensure a high level of competence of reserve preparers.
 - (d) Long term effects: It is intended that association boards will perform their fiduciary duties to a high level on behalf of all owners in the association.
- 4. Estimated Cost to the Agency.
There is no additional cost to the agency for this change in regulation.
 - 5. Duplication with other Agencies:
Does not duplicate any existing federal, state or local standards regulating the same activity.
 - 6. Federal Law:
Not addressed in federal law.
 - 7. Federal Regulation:
Not addressed in federal regulations.
 - 8. New Fee Established:
No new fee is established by this regulation change.

Comments and Written Submissions

Persons wishing to comment on the proposed action of the Commission may appear at the scheduled public hearings or may address their comments, data, views or arguments, in written form to:

Nevada Real Estate Division
2501 E. Sahara Avenue, Room 303
Las Vegas, NV. 89104-4137
Attn: Teralyn Thompson, Administration Section Manager

Written submissions must be received by the Division no later than Wednesday, July 8, 2015. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

Copies of Proposed Regulation

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation are available on the Division website at www.red.state.nv.us and at the Division office:

Real Estate Division
2501 East Sahara, Suite 303
Las Vegas, NV. 89104-4137

The text of each regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at:

<https://www.leg.state.nv.us/Register/2013Register/R050-13RP1.pdf>

Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Nevada Real Estate Division
1179 Fairview Drive, Suite E
Carson City, NV. 89701

Nevada Real Estate Division
Bradley Building
2501 East Sahara, Suite 102
Las Vegas, NV. 89104-4137
www.red.state.nv.us

Carson City Library
900 North Roop Street
Carson City, Nevada 89701

Las Vegas-Clark County Library District
833 Las Vegas Boulevard North
Las Vegas, Nevada 89101

Churchill County Library
553 South Main Street
Fallon, Nevada 89406

Douglas County Library
1625 Library Lane
Minden, Nevada 89423

Elko County Library
720 Court Street
Elko, Nevada 89801

Goldfield Public Library
Fourth & Crook Street
Goldfield, Nevada 89013

Eureka Branch Library
10190 Monroe Street
Eureka, Nevada 89316

Humboldt County Library
85 East 5th Street
Winnemucca, Nevada 89445

Lincoln County Library
63 Main Street
Pioche, Nevada 89043

Storey County Library
95 South R Street
Virginia City, Nevada 89440

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Mineral County Library
P. O. Box 1390
Hawthorne, Nevada 89415

Tonopah Public Library
P. O. Box 449
Tonopah, Nevada 89049

Pershing County Library
1125 Central Avenue
Lovelock, Nevada 89419

Washoe County Library
301 South Center Street
Reno, Nevada 89501

White Pine County Library
950 Campton Street
Ely, Nevada 89301

Battle Mountain Library
625 South Broad Street
Battle Mountain, Nevada 89820

June 8, 2015