

**REVISED PROPOSED REGULATION OF  
THE COMMISSION FOR COMMON-INTEREST  
COMMUNITIES AND CONDOMINIUM HOTELS**

**LCB File No. R125-12**

June 21, 2013

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

AUTHORITY: §1, NRS 116.670.

A REGULATION relating to common-interest communities; revising provisions governing the subsidization of proceedings for the mediation or arbitration of certain claims involving residential property within a planned community; and providing other matters properly relating thereto.

**Section 1.** NAC 116.520 is hereby amended to read as follows:

116.520 1. The Division may subsidize proceedings for ~~binding~~ *mediation or* arbitration conducted pursuant to NRS 38.300 to 38.360, inclusive ~~;~~

~~—(a) For the parties that agree to binding arbitration; and~~

~~—(b) To~~, *to* the extent that funds are available in the Account for Common-Interest

Communities and Condominium Hotels in the State General Fund for that purpose.

2. A party who wishes to have a proceeding for *mediation or* arbitration subsidized must:

(a) Submit an application to the Division on a form prescribed by the Division;

(b) File a claim for ~~binding~~ *mediation or* arbitration within 1 year after the date of discovery of the alleged violation; and

(c) If the applicant is an association, be registered and in good standing with the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels.

3. A unit's owner is eligible to have one proceeding for *mediation or* arbitration subsidized per fiscal year for each unit that he or she owns.

4. An association is eligible to have one proceeding for *mediation or* arbitration subsidized per fiscal year against the same unit's owner for each unit that he or she owns.

5. The funds used to subsidize a proceeding for *mediation or* arbitration pursuant to this section:

(a) Must not be applied to the fee required when filing a written claim pursuant to NRS 38.320 or any attorneys' costs or fees associated with the claim; and

(b) Must be the lesser of 50 percent of the fees owed by a party to the *mediator or* arbitrator or \$500.

6. The Division shall provide notice to ~~an~~ *the mediator or* arbitrator that a proceeding for *mediation or* arbitration may be subsidized by forwarding to the *mediator or* arbitrator a copy of the application received pursuant to subsection 2.

7. If an application for subsidy is approved by the Division, the *mediator or* arbitrator shall, within 10 business days after ~~this or her~~ *the issuance of the mediator's statement concerning whether the mediation was successful or unsuccessful or the* final *arbitration* decision, *whichever is applicable*, submit to the Division:

(a) On a form prescribed by the Division, a request for payment of the cost of *mediation or* arbitration; and

(b) ~~A~~ *If a proceeding for arbitration is being subsidized, a* copy of the final *arbitration* decision ~~H~~ *or, if a proceeding for mediation is being subsidized, a copy of the mediator's statement concerning whether the mediation was successful or unsuccessful.*

8. The Division shall pay the cost of *mediation or* arbitration pursuant to this section at the time the Division receives a copy of the *mediator's statement or the* final *arbitration* decision , *whichever is applicable*, from the *mediator or* arbitrator , *whichever is applicable*, and issues a certificate pursuant to NAC 38.350.

9. *As used in this section, "arbitration" includes binding and nonbinding arbitration.*