

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

**LCB FILE NO. R091-25I**

**The following document is the initial draft regulation proposed  
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**PROPOSED REGULATION OF THE  
COMMISSION FOR COMMON-INTEREST  
COMMUNITIES AND CONDOMINIUM HOTELS**

**NAC 116, 116A & 116B**

**AGENCY DRAFT**

December 9, 2025

**Section 1.** Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

*1. If a violation of a provision of the governing documents of an association poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine for such a violation:*

*(a) In accordance with NRS 116.31031, as amended by section 2 of Senate Bill No. 72, chapter 157, Statutes of Nevada 2021, at page 711, must be commensurate with the severity of the violation and determined by the executive board in accordance with the governing documents;*

*(b) Must not exceed \$10,000 for each violation; and*

*(c) An association must obtain a court order to enforce an individual fine in excess of \$10,000 for each violation.*

*2. A violation of a provision of the governing documents of an association poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community if the violation, without limitation:*

*(a) Involves a lack of care or neglect which directly and immediately places one or more units' owners, residents or invitees within the common-interest community in danger or direct threat of being harmed; or*

*(b) Is an intentional act which has the potential of causing immediate bodily harm to one or more units' owners, residents or invitees within the common-interest community.*

*3. A violation of a provision of the governing documents of an association does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community if the violation consists solely of:*

*(a) Using vulgar, profane or abusive language;*

*(b) Voicing opposition to, or support for, any matter affecting the common-interest community; or*

*(c) Any act committed by a unit's owner, tenant or invitee of a unit's owner or tenant which is:*

*(1) Permitted by this chapter or chapter 116 of NRS or any other applicable federal, state or local law, regulation or ordinance; or*

*(2) Considered to be a nuisance pursuant to a provision of the governing documents of the association. Excluding public nuisance as defined in NRS 202.450.*

*4. Nothing in this section precludes an association from establishing behavioral, etiquette or anti-bullying policies in accordance with the governing documents of the association, a violation of which could result in a fine that is subject to the monetary limitations established in NRS 116.31031, as amended by section 2 of Senate Bill No. 72, chapter 157, Statutes of Nevada 2021, at page 711, if the violation does not pose an imminent threat of causing a*

*substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.*

**Section 2.** Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

**NAC 116.405 Executive board: Determination by Commission of whether members have performed their duties.** ([NRS 116.3103](#), [116.615](#)) In determining whether a member of the executive board has performed his or her duties pursuant to [NRS 116.3103](#), the Commission may consider whether the member of the executive board has:

1. Acted outside the scope of the authority granted in the governing documents;
2. Acted for reasons of self-interest, gain, prejudice or revenge;
3. Committed an act or omission which amounts to incompetence, negligence or gross negligence;
4. Except as otherwise required by law or court order, disclosed confidential information relating to a unit's owner, a member of the executive board or an officer, employee or authorized agent of the association unless the disclosure is consented to by the person to whom the information relates;
5. Impeded or otherwise interfered with an investigation of the Division by:
  - (a) Failing to comply with a request by the Division to provide information or documents;
  - (b) Supplying false or misleading information to an investigator, auditor or any other officer or agent of the Division; or
  - (c) Concealing any facts or documents relating to the business of the association;
6. Kept informed of laws, regulations and developments relating to common-interest

communities;

7. Cooperated with the Division in resolving complaints filed with the Division; and

8. Caused the association to:

(a) Comply with all applicable federal, state and local laws and regulations and the governing documents of the association;

(b) Uniformly enforce the governing documents of the association;

(c) Hold meetings of the executive board with such frequency as to properly and efficiently address the affairs of the association;

(d) Obtain, when practicable, at least three bids from reputable service providers who possess the proper licensing before purchasing any such service for use by the association;

(e) Consult with appropriate professionals as necessary before making any major decision affecting the association or the common elements, including, without limitation, consulting with a reserve study specialist who is registered pursuant to [chapter 116A](#) of NRS and [chapter 116A](#) of NAC when conducting the reserve study, as required by subsection 2 of [NRS 116.31152](#) and [NRS 116A.420](#);

(f) Deposit all funds of the association for investment in government securities that are backed by the full faith and credit of the United States or in a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Securities Investor Protection Corporation or a private insurer approved pursuant to [NRS 678.755](#);

(g) Maintain current, accurate and properly documented financial records;

(h) Establish policies and procedures for the disclosure of potential conflicts of interest and the appropriate manner by which to resolve such conflicts;

(i) Establish policies and procedures that are designed to provide reasonable assurances in the reliability of financial reporting, including, without limitation, proper maintenance of accounting records, documentation of the authorization for receipts and disbursements, verification of the integrity of the data used in making business decisions, facilitation of fraud detection and prevention, and compliance with the applicable laws and regulations governing financial records;

(j) Prepare interim and annual financial statements that will allow the Division, the executive board, the units' owners and the accountant or auditor to determine whether the financial position of the association is fairly presented in accordance with the provisions of [NAC 116.451](#) to [116.461](#), inclusive;

(k) Make the financial records of the association available for inspection by the Division in accordance with the applicable laws and regulations of this State;

(l) Cooperate with the Division in resolving complaints filed with the Division; and

(m) Adopt and fairly enforce the collection policies of the association.

(Added to NAC by Comm'n for Common-Interest Communities by R129-04, eff. 4-14-2005; A by Comm'n for Common-Interest Communities & Condo. Hotels by R108-08, 4-20-2010; R050-13, 8-10-2015)

**Section 3.** Chapter 116 of NAC is hereby amended by adding thereto a new section to read as follows:

**NAC 116.435 Reserve study: Dissemination of summary of results.** ([NRS 116.31152](#), [116.615](#)) Not later than 210 days after the executive board receives a draft of the reserve study, the executive board shall submit a summary of the reserve study to the Division pursuant to subsection 4 of [NRS 116.31152](#) by filing, electronically if possible, on Form 609 as prescribed by the Division, the summary

of the results of the reserve study with the Division. The Division may post the summary of the results of the reserve studies filed with the Division on its website.

4. (Added to NAC by Comm'n for Common-Interest Communities by R129-04, eff. 4-14-2005; A by Comm'n for Common-Interest Communities & Condo. Hotels by R050-13, 8-10-2015)

**Section 4.** Chapter 116A of NAC is hereby amended by adding thereto a new section to read as follows:

**NAC 116A.350 Allegations of misconduct; submission of complaint; investigation and report; action by Administrator; appeal. (NRS 116A.200, 116A.400, 116A.410)**

1. If a person who alleges that a community manager is guilty of misconduct sends the allegations of misconduct in writing to the community manager in an attempt to resolve the issue without filing a complaint with the Division, the community manager shall, in good faith, acknowledge and respond in writing to the person making the allegations within 12 working days after he or she receives the allegations.

2. A complaint about a community manager must:

- (a) Be submitted to the Division on a form provided by the Division;
- (b) Be signed by the person submitting the complaint; and
- (c) Include, without limitation:

(1) The identity of the community manager who is alleged to have violated a provision of this chapter or [chapter 116](#) of NRS, and the nature of the alleged violation;

(2) All evidence supporting the allegations, including, without limitation, as appropriate, corroborating statements by other persons or specific information as to persons who may be contacted to provide such corroboration;

(3) The name, address and telephone number of the person submitting the complaint;

(4) Documents that evidence an attempt by the person submitting the complaint to resolve the issue with the executive board or the community manager, including, without limitation, any written response of the executive board or the community manager to the allegations of the person submitting the complaint; and

(5) If filed by a tenant of a unit's owner, ratification of the complaint by the unit's owner without the use of a power of attorney by the tenant.

3. Upon receipt of a complaint that complies with subsection 2, the Division shall forward the complaint to an investigator. The investigator:

~~—(a) Shall send a copy of the complaint to the community manager and the executive board of any association which relates to the subject of the complaint;~~

~~(b)~~ **(a)** Within 12 working days after the receipt of the allegations, shall attempt to obtain a response in writing from the person who is the subject of the complaint;

~~(c)~~ **(b)** May make such inquiries and investigation into matters relating to the allegations in the complaint as the investigator deems appropriate; and

~~(d)~~ **(c)** Shall submit to the Administrator a written report that summarizes the findings and conclusions of the investigator.

4. Upon review of the written report of the investigator, if the Administrator determines that grounds for disciplinary action against the community manager exist, the Administrator may take one or more of the following actions as he or she deems appropriate:

- (a) Issue a letter of censure to the community manager who is the subject of the complaint;
  - (b) Levy an administrative fine of:
    - (1) For the first offense, not more than \$1,000; and
    - (2) For the second offense, not more than \$5,000;
  - (c) Require the community manager to obtain additional education relating to the management of a common-interest community;
  - (d) Refer the matter to the Commission;
  - (e) Refer the matter to the Real Estate Commission; or
  - (f) Refer the matter to the Attorney General of this State.
5. The Administrator may initiate an investigation, audit or inspection of the records of any community manager or any person who performs the duties of a community manager in this State.
6. Any action taken by the Administrator pursuant to subsection 4 may be appealed by the community manager upon written request to the Commission within 30 days after the Administrator takes such action.
7. As used in this section, "investigator" means a person whom the Division deems to be impartial and qualified with respect to the matter in a complaint and who is designated by the Division to investigate a complaint pursuant to this section.

**Section 5.** Chapter 116A of NAC is hereby amended by adding thereto a new section to read as follows:

**NAC 116A.138 Requirements for issuance of certificate upon expiration of temporary certificate.** ([NRS 116A.200](#), [116A.410](#)) Upon the expiration of a temporary certificate, the Division shall issue a certificate to the person who held the temporary certificate if the person has:

~~1. Completed not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act as set forth in this chapter, chapter 116 of NAC and chapters 116 and 116A of NRS;~~

1. ~~2.~~ Satisfied the requirements of [NAC 116A.110](#), [116A.115](#), [116A.120](#) and [116A.125](#); and

2. ~~3.~~ Not been the subject of any disciplinary action pursuant to this chapter, [chapter 116](#) of NAC or [chapter 116](#) or [116A](#) of NRS.

(Added to NAC by Comm'n for Common-Interest Communities & Condo. Hotels by R165-09, eff. 12-16-2010)



**Section 6.** Chapter 116A of NAC is hereby amended by adding thereto a new section to read as follows:

**NAC 116A.340 Change of name, address, association or supervising community manager. ([NRS 116A.200](#), [116A.400](#), [116A.410](#))**

1. A community manager shall give written notice to the Division of any change of name, address or association within 10 business days after the change occurs and pay the appropriate fee required by [NAC 116A.515](#).

2. A provisional community manager shall give written notice to the Division of any change of his or her supervising community manager within ~~30 days~~~~10 business days~~ after the change occurs and pay the appropriate fee required by [NAC 116A.515](#).

3. Failure to give notice as required by this section constitutes cause for the involuntary inactivation of the certificate or temporary certificate.

(Added to NAC by Comm'n for Common-Interest Communities by R129-04, eff. 4-14-2005; A by R205-05, 9-18-2006; A by Comm'n for Common-Interest Communities & Condo. Hotels by R165-09, 12-16-2010) — (Substituted in revision for NAC 116.331)