

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

**LCB File No. R091-25**

January 16, 2026

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

AUTHORITY: §§ 1, 3 and 4, NRS 116.615; § 2, NRS 116.31031 and 116.615; § 5, NRS 116.615 and 233B.100; § 6, NRS 116.615 and 116.670; § 7-10, NRS 116A.200; § 11, NRS 116A.200 and 116A.410; § 12, NRS 116A.200, 116A.400 and 116A.410.

A REGULATION relating to common-interest communities; establishing criteria for determining whether a violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of a common-interest community; establishing limits for the imposition of fines for such violations; requiring a person who files an affidavit alleging certain violations of law by an executive board member of an association to include certain information in the affidavit; authorizing the Real Estate Division of the Department of Business and Industry to provide a list of remedial measures to the subject of an investigation; authorizing a person to file a petition to request the adoption, filing, amendment or repeal of a regulation; increasing the limit for funding for the subsidization of certain mediation proceedings; revising provisions relating to the education of community managers; revising provisions relating to complaints alleging misconduct by community managers; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law authorizes the executive board of a unit-owners' association to, under certain circumstances, impose a fine against a unit's owner or a tenant or an invitee of a unit's owner or a tenant if the unit's owner or the tenant or the invitee of the unit's owner or tenant violates any provision of the governing documents of the association. Existing law further provides that the amount of the fine must be commensurate with the severity of the violation and determined by the executive board in accordance with the governing documents. 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, existing law limits the amount of the fine to not exceed \$100 for each violation or a total amount of \$1,000 per hearing. Finally, existing law requires the Commission for Common-Interest Communities and Condominium Hotels to adopt regulations establishing the criteria used in determining whether a

violation 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 severity of such violations and limitations on the amounts of the fines. (NRS 116.31031) **Section 2** of this regulation establishes such criteria and prohibits an executive board from imposing a fine that exceeds \$10,000 for each violation that causes a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.

Existing law: (1) authorizes a person who is aggrieved by an alleged violation of certain provisions of law or regulations concerning common-interest communities or any order of the Commission or a hearing panel to file with the Real Estate Division of the Department of Business and Industry a written affidavit that sets forth the facts constituting the alleged violation; and (2) establishes a process for the investigation and consideration of such an affidavit. (NRS 116.745-116.795) For the purpose of the investigation and enforcement of such violations, existing law provides jurisdiction to: (1) investigate such violations to the Division and the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels; and (2) take appropriate action against a person who commits such a violation to the Commission and each hearing panel. (NRS 116.745, 116.750) **Section 4** of this regulation authorizes the Division, during an investigation of such a violation, to provide a list of remedial measures to the subject of an investigation.

Existing law provides that an executive board of a unit-owners' association acts on behalf of the association and officers and members of the executive board are fiduciaries who are required to act on an informed basis, in good faith and in the honest belief that their actions are in the best interest of the association. Existing law further requires officers and members of the executive board to: (1) exercise the ordinary and reasonable care of officers and directors of a nonprofit corporation, subject to the business-judgment rule; and (2) be subject to conflict of interest rules governing the officers and directors of a nonprofit corporation organized under the law of this State. (NRS 116.3103) **Section 3** of this regulation requires a person who files an affidavit that alleges a breach of such duties to specify in the affidavit any statute, regulation or order that the officer or member has violated.

Existing law authorizes any interested person to petition an agency to request the adoption, filing, amendment or repeal of any regulation and requires each agency to prescribe by regulation the form for such petitions and procedure for their submission, consideration and disposition. (NRS 233B.100) **Section 5** of this regulation establishes requirements for the submission of a petition to adopt, file, amend or repeal any regulation that is within the authority of the Commission and procedures for the consideration of such a petition.

Existing law requires the Commission, by regulation, to establish standards for subsidizing proceedings for a program for mediation established by the Division for certain disputes relating to residential property within a common-interest community to ensure that such proceedings are not lengthy and are affordable and readily accessible to all parties. (NRS 116.670) Existing regulations authorize the Division to subsidize such proceedings to the extent that funds are available and prohibit such funding from exceeding \$500 or \$250 for each party who is eligible to have the proceeding for mediation subsidized, whichever is less. (NAC 116.520) **Section 6** of this regulation increases the limit for such funding to \$600 or \$300 for each such party, whichever is less.

Existing regulations set forth provisions governing the certification, practice, education and regulation of community managers. (Chapter 116A of NAC) **Sections 8 and 9** of this

regulation define the terms “classroom” and “live instruction,” and **section 10** of this regulation makes these terms applicable to such provisions.

Existing law requires the Commission to establish by regulation the qualifications for the issuance of a certificate to practice as a community manager. Existing law further requires such regulations to provide for the issuance of a temporary certificate for a 1-year period to a person who meets certain qualifications, require such a certificate to expire before the end of the 1-year period under certain circumstances, require a person who is issued a temporary certificate to complete certain education during that period and provide for the issuance of a certificate at the conclusion of that period if the person: (1) has successfully completed not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act; and (2) has not been the subject of certain disciplinary action. (NRS 116A.400, 116A.410) Existing regulations establish the process for an application for a temporary certificate and provide that the temporary certificate expires, with certain exceptions, 1 year after the date on which it is issued. (NAC 116A.110-116A.138) If the temporary certificate expires and the person who held the certificate meets certain requirements, including the completion of not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act, existing regulations require the Division to issue a certificate to him or her. (NAC 116A.138) **Section 11** of this regulation increases the educational requirements for the issuance of a certificate under such circumstances to instead require a person to have completed not less than 60 hours of instruction on certain topics, including not less than 18 hours of instruction relating to the Uniform Common-Interest Ownership Act.

If a person who alleges that a community manager is guilty of misconduct sends such allegations in writing to the community manager in an attempt to resolve the issue without filing a complaint with the Division, existing regulations require the community manager to, 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. (NAC 116A.350) **Section 12** of this regulation provides that such a requirement does not require a community manager to acknowledge and respond to any allegations sent by the person that do not allege misconduct of the community manager. If a person submits a complaint about a community manager to the Division, **section 12** additionally requires an investigator to provide notice of a complaint, instead of a summary of the complaint, to the community manager and executive board of any association which relates to the subject of the complaint.

**Section 1.** Chapter 116 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

**Sec. 2. 1. *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 involves conduct that includes, without limitation:*

- (a) A failure to exercise reasonable care that directly and immediately endangers a unit's owner, a resident of the common-interest community or an invitee of a unit's owner or a tenant;*
- (b) Intentional misconduct that directly and immediately endangers a unit's owner, a resident of the common-interest community or an invitee of a unit's owner or a tenant; or*
- (c) A public nuisance, as defined in NRS 202.450.*

*2. A 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 if the sole basis for imposing the violation is conduct that:*

- (a) Uses foul, profane or abusive language;*
- (b) Voices opposition to or support for any matter that affects the common-interest community;*
- (c) Constitutes a nuisance under the governing documents of the association but does not constitute a public nuisance pursuant to NRS 202.450; or*
- (d) Is a violation of the governing documents of the association but is otherwise lawful under the laws of this State.*

*3. 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 executive board may not impose a fine that exceeds \$10,000 for each violation.*

4. *This section does not preclude an association from pursuing any other legal remedy authorized by law that is available to the association.*

Sec. 3. *A person who is aggrieved by an alleged breach of the fiduciary duties set forth in NRS 116.3103 and who files a written affidavit with the Division pursuant to NRS 116.760 must specify in such an affidavit any statute, regulation or order that he or she believes the member of the executive board has violated in breach of such a duty.*

Sec. 4. *During an investigation conducted pursuant to NRS 116.765, the Division may provide to the subject of an investigation a list of remedial measures that the subject of the investigation may take to be in compliance with the provisions of this chapter, chapter 116 of NRS or an order of the Commission or a hearing panel. A remedial measure provided pursuant to this section does not constitute disciplinary action but failure to take such action may be considered by the Division to be good cause to proceed with a hearing on the alleged violation.*

Sec. 5. 1. *Any interested person may file a written petition with the Division to adopt, file, amend or repeal any regulation that is within the authority of the Commission to adopt, file, amend or repeal. The petition must identify the change that he or she is requesting and contain any relevant data, views and arguments relating to the change.*

2. *The Administrator shall consider the petition filed pursuant to subsection 1 within 30 days. If the Administrator denies the petition, he or she must, not less than 30 days after the filing of the petition, provide written notice of the denial to the person who filed the petition, stating his or her reason for denying the petition. If the Administrator does not deny the petition within 30 days of the date of filing, the Commission must consider the petition at the next workshop held by the Commission to consider a proposed regulation.*

**Sec. 6.** NAC 116.520 is hereby amended to read as follows:

116.520 1. The Division may subsidize proceedings for mediation conducted pursuant to NRS 38.300 to 38.360, inclusive, 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 subsidized must:

- (a) Submit an application to the Division on a form prescribed by the Division;
- (b) File a claim for mediation 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:
  - (1) The Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels; and
  - (2) The Secretary of State, if the association is required to register with the Secretary of State pursuant to title 7 of NRS.

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

4. An association is eligible to have one proceeding for mediation 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 pursuant to this section must not:

- (a) 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) Exceed ~~\$500~~ \$600 or ~~\$250~~ \$300 for each party who is eligible to have the proceeding for mediation subsidized pursuant to this section, whichever is less.

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

7. If an application for subsidy is approved by the Division, the mediator shall, within 10 business days after the issuance of the mediator's statement concerning whether the mediation was successful or unsuccessful in resolving the dispute, submit to the Division:

- (a) On a form prescribed by the Division, a request for payment of the cost of mediation; and
- (b) A copy of the mediator's statement concerning whether the mediation was successful or unsuccessful in resolving the dispute.

8. The Division shall pay the cost of mediation pursuant to this section in accordance with the Division's procedures after the Division receives a copy of the mediator's statement concerning whether the mediation was successful or unsuccessful in resolving the dispute.

9. A party to a mediation is not eligible to receive a subsidy pursuant to this section if the party was a party to a claim in which the same or substantially similar issues were heard by the referee program established by the Division pursuant to NRS 38.325.

**Sec. 7.** Chapter 116A of NAC is hereby amended by adding thereto the provisions set forth as sections 8 and 9 of this regulation.

**Sec. 8.** *“Classroom” means a physical location or electronic platform through which live instruction is provided.*

**Sec. 9.** *“Live instruction” means instruction provided by an instructor who:*

*1. Is physically located in the same room as the student receiving the instruction;*

**2. *Uses electronic means of communication to provide instruction through an electronic platform in such a manner that the person providing the instruction and the student receiving the instruction are separated by distance but not time; or***

**3. *Uses any combination of methods described in subsections 1 and 2.***

**Sec. 10.** NAC 116A.005 is hereby amended to read as follows:

116A.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 116A.015 to 116A.095, inclusive, ***and sections 8 and 9 of this regulation,*** have the meanings ascribed to them in those sections.

**Sec. 11.** NAC 116A.138 is hereby amended to read as follows:

116A.138 Upon the expiration of a temporary certificate pursuant to subsection 1 of NAC 116A.137, the Division shall issue a certificate to the person who held the temporary certificate if the person:

1. Remained employed by the association which made an offer of employment to the person, or an agent of the association, during the 1-year period that the temporary certificate was valid;

2. Has completed not less than ~~18~~ **60** hours of instruction ~~relating to the Uniform Common Interest Ownership Act as set forth in this chapter, chapter 116~~ ***which meets the requirements for instruction in courses in the management of a common-interest community set forth in paragraphs (a) and (b) of subsection 1 of NAC*** ~~and chapters 116 and 116A of NRS;~~ ***116A.120;***

3. Has satisfied the requirements of NAC 116A.110, 116A.115 and 116A.125; and  
4. Has not been the subject of any disciplinary action pursuant to this chapter, chapter 116 of NAC or chapter 116 or 116A of NRS.

**Sec. 12.** NAC 116A.350 is hereby amended to read as follows:

116A.350 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. *Nothing in this subsection shall be construed to require a community manager to acknowledge and respond to any allegations sent by the person that do not allege misconduct of the community manager.*

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 summary~~ *provide notice* of the complaint to the community manager and the executive board of any association which relates to the subject of the complaint;
- (b) 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) May make such inquiries and investigation into matters relating to the allegations in the complaint as the investigator deems appropriate; and
- (d) 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.