

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

**LCB File No. R125-12**

Effective October 24, 2014

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

AUTHORITY: §1, NRS 116.615 and 116.670.

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

**Legislative Counsel's Digest:**

Existing law requires certain civil actions concerning residential property within a planned community to be submitted to mediation or to a dispute resolution program established by the Real Estate Division of the Department of Business and Industry before an action is commenced in court. (NRS 38.310) Existing law also authorizes the Commission for Common-Interest Communities and Condominium Hotels to adopt regulations establishing standards for subsidizing proceedings in the Division's program and for the mediation and arbitration of these claims. (NRS 116.670) Existing regulations govern the subsidization of proceedings for binding arbitration. (NAC 116.520)

This regulation authorizes the subsidization of proceedings for mediation and removes provisions providing for the subsidization of binding arbitration. This regulation further provides that the amount of the subsidy must not exceed \$500 or \$250 for each party who is eligible for a subsidy, whichever is less. Finally, this regulation provides that, in addition to being registered and in good standing with the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels, an association must be registered and in good standing with the Secretary of State to be eligible to receive a subsidy.

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

116.520 1. The Division may subsidize proceedings for ~~binding arbitration~~ *mediation* 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 ~~arbitration~~ *mediation* subsidized must:

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

(b) File a claim for ~~binding arbitration~~ *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 ~~the~~ :

*(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 ~~arbitration~~ *mediation* subsidized per fiscal year for each unit that he or she owns.

4. An association is eligible to have one proceeding for ~~arbitration~~ *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 ~~arbitration~~ *mediation* pursuant to this section ~~;~~

~~—(a) Must not be~~ *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) ~~{Must be the lesser of 50 percent of the fees owed by a party to the arbitrator or}~~ *Exceed \$500 ~~{}~~ or \$250 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 ~~{an arbitrator}~~ *the mediator* that a proceeding for ~~{arbitration}~~ *mediation* may be subsidized by forwarding to the ~~{arbitrator}~~ *mediator* a copy of the application received pursuant to subsection 2.

7. If an application for subsidy is approved by the Division, the ~~{arbitrator}~~ *mediator* shall, within 10 business days after ~~{his or her final decision,}~~ *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 ~~{arbitration;}~~ *mediation;* and

(b) A copy of the ~~{final decision.}~~ *mediator's statement concerning whether the mediation was successful or unsuccessful in resolving the dispute.*

8. The Division shall pay the cost of ~~{arbitration}~~ *mediation* pursuant to this section ~~{at the time}~~ *in accordance with the Division's procedures after* the Division receives a copy of the ~~{final decision from the arbitrator and issues a certificate pursuant to NAC 38.350.}~~ *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.*