

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

**LCB File No. R125-12**

April 25, 2014

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 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 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 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~~ *not 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 ~~this 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 the Division receives~~ *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.*