

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

LCB File No. R153-13

June 10, 2014

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

AUTHORITY: §1, NRS 116.311395 and 116.615.

A REGULATION relating to common-interest communities; requiring a financial institution which is located outside of this State and is holding certain funds in this State to appoint the Real Estate Administrator as its agent for the service of process; and providing other matters properly relating thereto.

Legislative Counsel’s Digest

Existing law requires all funds of a homeowners’ association to be deposited or invested at a financial institution which: (1) is located in this State; (2) is qualified to conduct business in this State; or (3) has consented to be subject to the jurisdiction, including the power to subpoena, of the courts of this State and the Real Estate Division of the Department of Business and Industry. Existing law also requires the Commission for Common-Interest Communities and Condominium Hotels to adopt regulations prescribing the contents of the declaration to be executed and signed by a financial institution located outside of this State to submit to consent to the jurisdiction of the courts of this State and the Division. (NRS 116.311395)

This regulation requires a financial institution which is located in another state and which is holding funds belonging to a homeowners’ association in this State to execute a written statement on a form provided by the Division appointing the Real Estate Administrator as its agent for service of process. This regulation further provides that if process is served on the Administrator, he or she must mail the process by certified mail to the last known address of the financial institution and that service of process is deemed complete upon that mailing.

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

1. A financial institution which is located outside of this State and is holding funds belonging to an association which is located in this State shall execute a written statement on

a form provided by the Division that appoints the Administrator as its agent for the service of process for any action or proceeding filed against the financial institution in this State.

2. The statement of appointment must include a provision which provides:

(a) That any process which is served on the Administrator shall be deemed to have the same legal validity as if it had been served on the financial institution;

(b) That the appointment of the Administrator as its agent for the service of process continues as long as any liability remains outstanding in this State against the financial institution; and

(c) Consent for venue in any judicial or administrative district in this State without regard to the residence or principal place of business of the financial institution.

3. The statement of appointment must be signed by an executive officer of the financial institution and notarized. The financial institution shall file a copy of the statement with the Administrator. A copy of the statement which is certified by the Administrator shall be deemed sufficient evidence of the appointment.

4. If any process is served upon the Administrator pursuant to this section, the Administrator shall mail the process by certified mail to the last known address of the financial institution. Service of process shall be deemed complete upon mailing. The manner of the service of process described in this subsection does not affect the validity of any other service of process authorized by law.