

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

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

AUTHORITY: NRS 116A.410

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

Sec. 2. “Control” means financial activities performed and “controlled” by a community manager for a common-interest community and reported to its governing body in accordance with prudent business practices and accepted accounting principles.

CERTIFICATION OF COMMUNITY MANAGERS

Sec. 3. NAC 116.100 is hereby amended to read as follows:

NAC 116.100 Application: Requirements; action by Division; burden of proof. (NRS 116.615, 116A.200, 116A.410)

1. A person who wishes to obtain a certificate must submit an application to the Division on a form prescribed by the Division.

2. Each applicant must, as part of his application and at his own expense:

(a) Arrange to have a complete set of his fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Division; and

(b) Submit to the Division:

(1) A completed fingerprint card and written permission authorizing the Division to submit the applicant’s fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant’s background and to such other law enforcement agencies as the Division deems necessary; or

(2) Written verification, on a form prescribed by the Division, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant’s background and to such other law enforcement agencies as the Division deems necessary.

(3) A copy of a bond posted by the applicant or his employer in a form and type necessary to protect an association from financial or property losses due to the dishonesty or bad acts of the

community manager. The amount of the bond required is based upon the amount of money the applicant is expected to control on a sliding scale as follows:

- (a) Up to \$25,000, a bond in the amount of \$25,000;*
- (b) \$25,001-\$50,000, a bond in the amount of \$50,000;*
- (c) \$50,001-\$75,000, a bond in the amount of \$75,000;*
- (d) \$75,001-\$100,000, a bond in the amount of \$100,000;*
- (e) \$100,001-\$150,000, a bond in the amount of \$150,000;*
- (f) \$150,001-\$200,000, a bond in the amount of \$200,000;*
- (g) more than \$200,000, a bond in the amount of \$250,000.*

In determining the amount of money the applicant is expected to control, the applicant shall include in his calculations the amount of Association funds to which the applicant has access regardless of whether he has sole access or whether any other persons' signature is required to access such funds.

~~(3)~~ (4) In addition to the requirements set forth in subsection 2, the applicant must submit to the Division:

- (a) A photograph of the applicant, measuring approximately 2 inches by 2 inches, taken within the 2 years immediately preceding the date of the application;
- (b) Payment of the fees charged by a local law enforcement agency pursuant to NAC 116.515 or, if the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository pursuant to subsection 2, evidence of such payment;
- (c) The social security number of the applicant;
- (d) A statement concerning whether the applicant has been convicted of, or entered a plea of guilty or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or possessing for the purpose of sale any controlled substance or any crime involving moral turpitude;
- (e) Documentation that the applicant possesses the education and experience required pursuant to NAC 116.120 and, if applicable, NAC 116.175;
- (f) Documentation of the employment history of the applicant for the 10 years immediately preceding the date of the application, including, without limitation, letters of recommendation and affidavits of employment from common-interest communities or employers in other related areas;
- (g) The statement described in NRS 116A.440;
- (h) The fee required by NAC 116.505 for a certificate; and
- (i) Such other pertinent information as the Division may require.

4. The Division shall act upon all applications for a certificate within 60 days after the date of receiving the completed application for a certificate.

5. If the Division determines that additional investigation of the applicant is necessary, the Division may extend the 60-day period and may make such additional investigation as is necessary or desirable before acting upon the application.

6. The burden of proof is on the applicant to establish to the satisfaction of the Division that he is qualified to receive a certificate.

Sec. 4. NAC 116.160 is hereby amended to read as follows:

NAC 116.160 Renewal of certificate. (NRS 116.615, 116A.200, 116A.410)

1. A certificate must be renewed biennially.

2. Except as otherwise provided by subsection 5, the Division shall renew a certificate if the applicant submits to the Division before the expiration of his certificate:

(a) A completed application on a form prescribed by the Division;

(b) The statement described in NRS 116A.440;

(c) The fee required by NAC 116.505 for renewal; and

(d) Documentation of the successful completion by the applicant of at least 18 hours of continuing education in courses approved by the Commission within the 2 years immediately preceding the date on which the certificate expires. At least 3 hours of the continuing education must consist of instruction relating to this chapter and chapter 116 of NRS.

(e) a copy of the bond described in _____.

3. The renewal of a certificate is effective on the date on which the renewal is issued.

4. If the holder of a certificate fails to complete the required hours of continuing education or fails to file an application for the renewal of his certificate before it expires, he may not engage in the management of a common-interest community until his certificate is reinstated.

5. The Division may refuse to renew a certificate if:

(a) The applicant has been convicted of, or entered a plea of guilty or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or possessing for the purpose of sale any controlled substance or any crime involving moral turpitude;

(b) The applicant fails to complete, sign and submit the statement required pursuant to NRS 116A.440;

(c) The Division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional certificates and permits issued to the applicant; or

(d) The applicant has engaged in conduct which is grounds for disciplinary action pursuant to NAC 116.360 and has been disciplined by the Division or Commission.

6. If the Division, after an application to renew a certificate in proper form has been filed, accompanied by the proper fees, refuses to renew the certificate, it shall give notice of this fact to the applicant within 15 days after the ruling, order or decision. The applicant may file a written request for a hearing before the Commission pursuant to the procedures set forth in NAC 116.150.

7. If the Division refuses to renew a certificate because it receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional certificates and permits issued to the applicant, the Division shall reinstate the certificate if the Division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose certificate was suspended stating that the person has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.