

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

LCB File No. R121-10

NAC 116

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

AUTHORITY: NRS 116.615

Section 1. Chapter 116 of NAC is hereby amended by adding thereto the provisions set forth as sections two and three of this regulation.

Sec. 2. *The executive board of each association, when meeting in executive session for the purpose of holding a hearing on the alleged violations of a person who may be sanctioned for the alleged violation, shall ensure the person due process, which must include the right to counsel by an attorney or representative or advocate who is not a licensed attorney.*

Sec. 3. *When a unit's owner submits a written complaint alleging a violation of NRS 116 or the governing documents and that complaint is placed on the agenda of a board meeting for the first time, the unit's owner submitting the complaint shall be allowed to make comments regarding his complaint either during the comment period at the beginning of the meeting or at the time that the complaint agenda item comes before the board during the meeting. In either case, the comment period time may be reasonably limited by the board. Should the complaint have multiple complainants, they must choose one representative to make comments during the meeting.*

Sec. 4. NAC 116.410 is hereby amended to read as follows:

NAC 116.410 Adoption by reference of reporting principles and practices of financial accounting. (NRS 116.615)

1. For purposes of providing recommended reporting principles and practices of financial accounting for common-interest communities, the Commission hereby adopts by reference the

~~THOMSON PPC'S Accounting and Audit Guide. [Common Interest Realty Associations— AICPA Audit and Accounting Guide, May 2004 edition. A copy of the publication may be obtained from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775, by telephone at (888) 777-7077 or at the Internet address <http://www.aicpa.org/index.htm> or <https://www.cpa2biz.com/CS2000/Products/CPA2BIZ/Publications/Sub+1/Common+Interest+R ealty+Associations+%97+AICPA+Audit+and+Accounting+Guide.htm>, at a price of \$47 for members and \$58.75 for nonmembers.] A copy of the publication may be obtained by calling (800) 323-8724 or at the Internet address <http://ppc.thomson.com/SiteComposer2/Index.cfm?numProdClassID=201&txtFuse=dspShell ProductDetail&numSiteID=2&numTaxonomyTypeID=29&numTaxonomyID=232>, at a price of \$209. Price is subject to change.~~

2. If the publication adopted by reference in subsection 1 is revised, the Commission will review the revision to determine its suitability for this State. If the Commission determines that the revision is not suitable for this State, the Commission will hold a public hearing to review its determination and give notice of that hearing within 90 days after the date of the publication of the revision. If, after the hearing, the Commission does not revise its determination, the Commission will give notice that the revision is not suitable for this State within 90 days after the hearing. If the Commission does not give such notice, the revision becomes part of the publication adopted by reference pursuant to subsection 1.

Sec. 5. NAC 116.480 is hereby amended to read as follows:

NAC 116.480 Restriction on and statements by members of executive boards and officers of associations. (NRS 116.31185, 116.615)

~~[1.]~~ No member of an executive board or officer of an association shall receive, in the aggregate, any gift, incentive, gratuity, reward or other item of value pursuant to subsection 2 of NRS 116.31185 in any calendar year which exceeds the sum of \$100.

~~[2.] On or before the annual distribution to each unit's owner of the budgets of the association pursuant to subsection 1 of NRS 116.31151, each member of an executive board and officer of an association shall deliver to the executive board for inclusion in the annual distribution of the~~

~~budgets a statement of any gifts, incentives, gratuities, rewards or other items of value which exceed \$15 received pursuant to subsection 2 of NRS 116.31185.]~~

Sec. 6. NAC 116.482 is hereby amended to read as follows:

NAC 116.482 Restriction on and statements by community managers and employees of community managers. (NRS 116.31185, 116.615)

1. No community manager or employee of the community manager shall receive, in the aggregate, any gift, incentive, gratuity, reward or other item of value pursuant to subsection 2 of NRS 116.31185 in any calendar year which exceeds the sum of \$500.

~~[2. On or before the date of renewal of a license for a community manager, each community manager shall disclose to the Division, in the renewal form, a statement of any gifts, incentives, gratuities, rewards or other items of value which exceed \$15 received pursuant to subsection 2 of NRS 116.31185 during each of the years following the last renewal.]~~