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

## NAC 116 and 116A

## AGENCY DRAFT

December 9, 2025

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

**Section 1.** Chapter 116 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 inclusive, of this regulation.

**Section 2.** ***1. If a violation of a provision of the governing documents of an association poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine for such a violation:***

***(a) In accordance with NRS 116.31031, as amended by section 2 of Senate Bill No. 72, chapter 157, Statutes of Nevada 2021, at page 711, must be commensurate with the severity of the violation and determined by the executive board in accordance with the governing documents;***

***(b) Must not exceed $10,000 for each violation; and***

***(c ) An association must obtain a court order to enforce an individual fine in excess of $10,000 for each violation.***

***2. A violation of a provision of the governing documents of an association poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community if the violation, without limitation:***

***(a) Involves a lack of care or neglect which directly and immediately places one or***

*more units' owners, residents or invitees within the common-interest community in danger or direct threat of being harmed; or*

*(b) Is an intentional act which has the potential of causing immediate bodily harm to one or more units' owners, residents or invitees within the common-interest community.*

*3. A violation of a provision of the governing documents of an association does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community if the violation consists solely of:*

*(a) Using vulgar, profane or abusive language;*

*(b) Voicing opposition to, or support for, any matter affecting the common-interest community; or*

*(c) Any act committed by a unit's owner, tenant or invitee of a unit's owner or tenant which is:*

*(1) Permitted by this chapter or chapter 116 of NRS or any other applicable federal, state or local law, regulation or ordinance; or*

*(2) Considered to be a nuisance pursuant to a provision of the governing documents of the association. Excluding public nuisance as defined in NRS 202.450.*

*4. Nothing in this section precludes an association from establishing behavioral, etiquette or anti-bullying policies in accordance with the governing documents of the association, a violation of which could result in a fine that is subject to the monetary limitations established in NRS 116.31031, as amended by section 2 of Senate Bill No. 72, chapter 157, Statutes of Nevada 2021, at page 711, if the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.*

**Section 3.** *1. In determining whether a member of the executive board has performed his or her duties pursuant to NRS 116.3103:*

*(a) The Division may consider whether a breach of fiduciary duty is subject to an investigation exists only if the violation constitutes a failure to comply with a requirement or prohibition established under NRS 116 or NAC 116.*

*(b) In addition to NAC 116.405, All documents and information compiled as a result of an investigation are subject to confidentiality pursuant to NRS 116.757.*

*(c) The Division may impose remedial measures to encourage compliance with applicable laws and regulations, and the imposition of remedial measures under this section does not constitute disciplinary action, and is not subject to appeal, however failure to comply with such measure may result in referral to the Commission for further proceedings pursuant to NRS 116.760, and nothing in this section limits the authority of the Division to refer a matter directly to the Commission when the circumstances warrant formal disciplinary action.*

**Section 4.** *1. Any interested person may by petition, request the Division to adopt, file, amend, or repeal any regulation. The petition must clearly identify in writing the change requested of the regulation and must contain all relevant data, views and arguments regarding the change.*

*(a ) Upon submission of such a petition, the Administrator shall within 30 days either deny the petition in writing, stating its reasons, or initiate regulation-making proceedings.*

*(b) The Commission will consider the petition at the next regulatory workshop.*

**Section 5.** Chapter 116 of NAC is hereby amended to read as follows:

NAC 116.520 Subsidization of proceedings for mediation. (NRS 116.615, 116.670)

1. The Division may subsidize proceedings for mediation conducted pursuant to NRS 38.300 to 38.360, inclusive, 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 mediation subsidized must:

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

(b) File a claim for 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:

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

4. An association is eligible to have one proceeding for 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 mediation pursuant to this section 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) Exceed $~~500~~ ***$600*** or $~~250~~ ***$300*** 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 the mediator that a proceeding for mediation may be subsidized by forwarding to the mediator a copy of the application received pursuant to subsection 2.

7. If an application for subsidy is approved by the Division, the mediator shall, within 10 business days after 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 mediation; and

(b) A copy of the mediator's statement concerning whether the mediation was successful or unsuccessful in resolving the dispute.

8. The Division shall pay the cost of mediation pursuant to this section in accordance with the Division's procedures after the Division receives a copy of the 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.

(Added to NAC by Comm'n for Common-Interest Communities by R129-04, eff. 4-14-2005; A by Comm'n for Common-Interest Communities & Condo. Hotels by R125-12, 10-24-2014)

**Section 6.** ***"Classroom" means:***

***1. A physical room in which live instruction is delivered in the manner described in subsection 1 of section 3 of this regulation; or***

***2. An electronic platform through which live instruction is delivered in the manner described in subsection 2 of section 3 of this regulation.***

**Section 7 .** ***"Live instruction" means instruction that is delivered:***

***1. By a person who is physically located in the same room as the student receiving the instruction;***

***2. Through an electronic platform that uses electronic means to enable the person providing the instruction and the student receiving the instruction, who are separated by distance but not time, to see, hear and communicate with one another in real time; or***

***3. Using a combination of the methods described in subsections 1 and 2.***

**NEW LANGUAGE LCB FILE NO. R129-21 EFFECTIVE DECEMBER 28, 2022**
**REGARDING QUALIFICATIONS FOR TEMPORARY CERTIFICATE**

**Section 8.** Chapter 116A of NAC is hereby amended to read as follows:

116A.138 Upon the expiration of a temporary certificate ~~[,]~~ ***pursuant to subsection 1 of NAC 116A.137,*** the Division shall issue a certificate to the person who held the temporary certificate if the person ***:*** ~~[has:]~~

**1.** ~~[Completed]~~ ***1. Remained employed by the association which made an offer of employment to the person, or an agent of the association, during the 1-year period that the temporary certificate was valid;***

~~***1. Has completed*** not less than 18 hours of instruction relating to the Uniform Common Interest Ownership Act as set forth in this chapter, chapter 116 of NAC and chapters 116 and 116A of NRS;~~

~~[2. Satisfied]~~

***2. Has satisfied*** the requirements of NAC 116A.110, 116A.115, ***116A.120*** and 116A.125; and

~~[3. Not]~~

***3. Has not*** been the subject of any disciplinary action pursuant to this chapter, chapter 116 of NAC or chapter 116 or 116A of NRS.

**Section 9.** Chapter 116A of NAC is hereby amended to read as follows:

**NAC 116A.350 Allegations of misconduct; submission of complaint; investigation and report; action by Administrator; appeal. (**NRS 116A.200**,** 116A.400**,** 116A.410**)**

1. If a person who alleges that a community manager is guilty of misconduct sends the allegations of misconduct in writing to the community manager in an attempt to resolve the issue without filing a complaint with the Division, the community manager shall, in good faith, acknowledge and respond in writing to the person making the allegations within 12 working days

after he or she receives the allegations. ***The requirement to acknowledge and respond within 12 working days applies solely to written allegations alleging misconduct by the community manager.***

2. A complaint about a community manager must:

(a) Be submitted to the Division on a form provided by the Division;

(b) Be signed by the person submitting the complaint; and

(c) Include, without limitation:

(1) The identity of the community manager who is alleged to have violated a provision of this chapter or chapter 116 of NRS, and the nature of the alleged violation;

(2) All evidence supporting the allegations, including, without limitation, as appropriate, corroborating statements by other persons or specific information as to persons who may be contacted to provide such corroboration;

(3) The name, address and telephone number of the person submitting the complaint;

(4) Documents that evidence an attempt by the person submitting the complaint to resolve the issue with the executive board or the community manager, including, without limitation, any written response of the executive board or the community manager to the allegations of the person submitting the complaint; and

(5) If filed by a tenant of a unit's owner, ratification of the complaint by the unit's owner without the use of a power of attorney by the tenant.

3. Upon receipt of a complaint that complies with subsection 2, the Division shall forward the complaint to an investigator. The investigator:

~~(a) Shall send a copy of the complaint to the community manager and the executive board of any association which relates to the subject of the complaint;~~

***(a) Shall notify the community manager and the executive board of an association the subject of the complaint.***

~~(b)~~ ***(b)*** Within 12 working days after the receipt of the allegations, shall attempt to obtain a response in writing from the person who is the subject of the complaint;

~~(c)~~ ***(c)*** May make such inquiries and investigation into matters relating to the allegations in the complaint as the investigator deems appropriate; and

~~(d)~~ ***(d)*** Shall submit to the Administrator a written report that summarizes the findings and conclusions of the investigator.

4. Upon review of the written report of the investigator, if the Administrator determines that grounds for disciplinary action against the community manager exist, the Administrator may take one or more of the following actions as he or she deems appropriate:

(a) Issue a letter of censure to the community manager who is the subject of the complaint;

(b) Levy an administrative fine of:

(1) For the first offense, not more than $1,000; and

(2) For the second offense, not more than $5,000;

(c) Require the community manager to obtain additional education relating to the management of a common-interest community;

(d) Refer the matter to the Commission;

(e) Refer the matter to the Real Estate Commission; or

(f) Refer the matter to the Attorney General of this State.

5. The Administrator may initiate an investigation, audit or inspection of the records of any community manager or any person who performs the duties of a community manager in this State.

6. Any action taken by the Administrator pursuant to subsection 4 may be appealed by the community manager upon written request to the Commission within 30 days after the Administrator takes such action.

7. As used in this section, "investigator" means a person whom the Division deems to be impartial and qualified with respect to the matter in a complaint and who is designated by the Division to investigate a complaint pursuant to this section.