SMALL BUSINESS IMPACT STATEMENT
CHANGES TO NAC 116
LCB File: R091-25

December 9, 2025

1. **LCB File: R091-25 Changes to NAC 116 and NAC 116A Small Business Impact Statement pursuant to NRS 233B.0608:**

(a) A description of the manner in which comment was solicited from affected small business, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

The Real Estate Division will post proposed changes to NAC 116 and NAC 116A on the Division's website for the public to review and comment. The Division will also send proposed changes to licensees, organizations, associations, interested parties and businesses related to this profession. Along with the proposed changes to NAC 116 and NAC 116A, a survey will be posted for small businesses to complete regarding how the proposed changes will affect their business.

The Small Business Impact Statement is available on the Division's website at www.red.nv.gov.

The Small Business Survey can be accessed on the Division's website.

Interested persons may obtain a copy of the small business impact statement or submit statements of impact to:

Shareece Bates, Administration Section Manager
Nevada Real Estate Division
3300 West Sahara Avenue, Suite 350
Las Vegas, NV 89102
publiccomments@red.nv.gov

(b) The manner in which the small business analysis was conducted changes to NAC 116 and NAC 116A.

The Division will post the notice of proposed changes to NAC 116 and NAC 116A for a period of fifteen (15) days, an analysis of the effect on small businesses will be done after a review of all the comments, survey results and statements received from small business and interested parties.

(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate, including, without limitation:

(1) Both adverse and beneficial effects:

(I) Adverse effects:

NAC 116.405; NAC 116.520; NAC116A.138 – The potential for increased legal fees may be associated with the Health and Safety provisions should an association seek legal advice before imposing such fees on homeowners. Increasing the amount of subsidy offered for mediations will increase costs to the Division by 20%. The requirement to maintain employment of the temporary certificate with one employer, may be a challenge to the certificate holder if they become dissatisfied with the employer. The definition of Classroom is being expanded to include digital platforms and interactive media. The definition of Live instruction is also being expanded to include digital platforms and hybrid teaching modes. There should be no adverse effect on small businesses as there is no additional cost to the business or a requirement to change their current practices.

(II) Beneficial effects:

NAC 116.405; NAC 116.520; NAC 116A.138 – The amount that a unit owner may be charged for a Health and Safety violation may be a deterrent to negligent and/or reckless activities within the homeowner association. Providing consistency and a framework around Health and Safety will allow more consistent application of the standard across HOA's. Regulations provide guidance on petitioning the Division for regulatory changes. The mediation reimbursement costs will allow the Division to attract and retain more Mediators in the program. The tenure of the temporary certificate holder at one employer increases the likelihood of consistent training and experience. The changes to Classroom and Live instruction definitions will significantly benefit education sponsors as this allows them to take their existing courses and offer them different live and classroom formats

(2) Both direct and indirect effects.

(I) Direct effect:

NAC 116.405; NAC 116.520; NAC 116A.138 – Due to the severity of the outcome, associations and their homeowners should gain a better respect for the process of the imposition of Health and Safety Violations. Associations who choose to hire a temporary community manager should have confidence that their employee has received proper education alongside their training. Based on the changes to Classroom and Live instruction definitions, the Division anticipates an increase in courses submitted for approval. With consistent training, experienced temporary certificate holders will be prepared to manage communities on their own. Additional effects on small businesses will be assessed after the 30-day comment period and an analysis of surveys received from small businesses.

(II) Indirect effect:

NAC 116.405; NAC 116.520; NAC 116A.138 – Homeowners within associations may feel safer and more informed within their communities due to better understanding of potential outcomes. These proposed changes will potentially increase the different options for business to provide education to licensees. This may also increase the number of businesses in the education space and also attract new business into the industry. Homeowner associations may feel

more confident that the temporary certificate holder has met all requirements and are capable of managing a community.

(d) A description of the methods that the Real Estate Division considered to reduce the impact of Changes to NAC 116 and NAC 116A on small businesses and a statement whether the Real Estate Division actually used any part of those methods.

The Commission will consider methods to reduce the impact of the proposed regulation on small businesses based on comments, survey results and statements received after the 15-day comment period.

(e) The estimated cost to the agency for enforcement of the proposed regulation.

There will be no additional cost to the agency for enforcement of the proposed regulations.

(f) If Changes to NAC 116 and NAC 116A provides a new fee or increases an existing fee, the total annual amount the Real Estate Division expects to collect and the manner in which the money will be used.

There are no fee increases or changes within this proposed regulation.

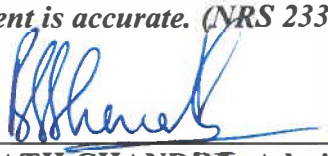
(g) If Changes to NAC 116 and NAC 116 includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

The proposed regulation does not include any provisions which duplicate or are more stringent than federal, state or local standards.

(h) The reasons for the conclusions of the Real Estate Division regarding the impact of Changes to NAC 116 and NAC 116A on small businesses.

The Commission for Common-Interest Communities and staff from the Real Estate Division after attending public meetings of the Commission for Common-Interest Communities and Condominium Hotels and reviewing surveys, listening to and observing public comments by industry professionals will come to a proper conclusion regarding the impact of the changes to NAC 116 and NAC 116A. The final Small Business Impact Statement will reflect all the input received. This impact statement will be updated as additional comments are received and determinations are made by the Commission.

I certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement is accurate. (NRS 233B.0608(3))



SHARATH CHANDRA, Administrator
Department of Business & Industry
Real Estate Division