
SENATE BILL NO. 129—SENATORS GUSTAVSON; AND CEGAVSKE

FEBRUARY 18, 2013

JOINT SPONSOR: ASSEMBLYWOMAN FIORE

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to the resale of a unit in a common-interest community. (BDR 10-429)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to common-interest communities; revising provisions relating to the information provided in a resale transaction involving a unit in a common-interest community; revising provisions governing the payment of unpaid obligations owed by the selling unit’s owner at the time of a resale transaction; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the resale package provided to the purchaser of a unit in a
2 common-interest community to include a statement from the association setting
3 forth the amount of any unpaid obligation currently due from the selling unit’s
4 owner. If the association becomes aware of an error in the statement during the
5 period in which the statement is effective, the association must provide a
6 replacement statement to the purchaser. Under existing law, the purchaser is not
7 liable for any unpaid assessment or fee which is not set forth in the statement
8 provided by the association. (NRS 116.4109) This bill authorizes the seller of a unit
9 or his or her authorized agent or a settlement agent to request a copy of the
10 statement provided by the association. Under this bill, payment of the full amount
11 set forth in any statement or replacement statement provided by the association
12 constitutes full satisfaction of any unpaid obligation currently due from the selling
13 unit’s owner.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 116.4109 is hereby amended to read as
2 follows:

3 116.4109 1. Except in the case of a sale in which delivery of
4 a public offering statement is required, or unless exempt under
5 subsection 2 of NRS 116.4101, a unit's owner or his or her
6 authorized agent shall, at the expense of the unit's owner, furnish to
7 a purchaser a resale package containing all of the following:

8 (a) A copy of the declaration, other than any plats, the bylaws,
9 the rules or regulations of the association and the information
10 statement required by NRS 116.41095.

11 (b) A statement from the association setting forth the amount of
12 the monthly assessment for common expenses and any unpaid
13 obligation of any kind, including, without limitation, management
14 fees, transfer fees, fines, penalties, interest, collection costs,
15 foreclosure fees and attorney's fees currently due from the selling
16 unit's owner. The statement remains effective for the period
17 specified in the statement, which must not be less than 15 working
18 days from the date of delivery by the association to the unit's owner
19 or his or her agent. If the association becomes aware of an error in
20 the statement during the period in which the statement is effective
21 but before the consummation of the resale, the association must
22 deliver a replacement statement to the unit's owner or his or her
23 agent and obtain an acknowledgment in writing by the unit's owner
24 or his or her agent before that consummation. Unless the unit's
25 owner or his or her agent receives a replacement statement, the
26 unit's owner or his or her agent may rely upon the accuracy of the
27 information set forth in a statement provided by the association for
28 the resale. *Payment of the amount set forth in a statement or*
29 *replacement statement provided by the association pursuant to this*
30 *paragraph constitutes full satisfaction of any unpaid obligation*
31 *currently due from the selling unit's owner.*

32 (c) A copy of the current operating budget of the association and
33 current year-to-date financial statement for the association, which
34 must include a summary of the reserves of the association required
35 by NRS 116.31152 and which must include, without limitation, a
36 summary of the information described in paragraphs (a) to (e),
37 inclusive, of subsection 3 of NRS 116.31152.

38 (d) A statement of any unsatisfied judgments or pending legal
39 actions against the association and the status of any pending legal
40 actions relating to the common-interest community of which the
41 unit's owner has actual knowledge.



1 (e) A statement of any transfer fees, transaction fees or any other
2 fees associated with the resale of a unit.

3 (f) In addition to any other document, a statement describing all
4 current and expected fees or charges for each unit, including,
5 without limitation, association fees, fines, assessments, late charges
6 or penalties, interest rates on delinquent assessments, additional
7 costs for collecting past due fines and charges for opening or closing
8 any file for each unit.

9 2. The purchaser may, by written notice, cancel the contract of
10 purchase until midnight of the fifth calendar day following the date
11 of receipt of the resale package described in subsection 1, and the
12 contract for purchase must contain a provision to that effect. If
13 the purchaser elects to cancel a contract pursuant to this subsection,
14 the purchaser must hand deliver the notice of cancellation to the
15 unit's owner or his or her authorized agent or mail the notice of
16 cancellation by prepaid United States mail to the unit's owner or his
17 or her authorized agent. Cancellation is without penalty, and all
18 payments made by the purchaser before cancellation must be
19 refunded promptly. If the purchaser has accepted a conveyance of
20 the unit, the purchaser is not entitled to:

21 (a) Cancel the contract pursuant to this subsection; or

22 (b) Damages, rescission or other relief based solely on the
23 ground that the unit's owner or his or her authorized agent failed to
24 furnish the resale package, or any portion thereof, as required by this
25 section.

26 3. Within 10 days after receipt of a written request by a unit's
27 owner or his or her authorized agent, the association shall furnish all
28 of the following to the unit's owner or his or her authorized agent
29 for inclusion in the resale package:

30 (a) Copies of the documents required pursuant to paragraphs (a)
31 and (c) of subsection 1; and

32 (b) A certificate containing the information necessary to enable
33 the unit's owner to comply with paragraphs (b), (d), (e) and (f) of
34 subsection 1.

35 4. *Within 10 days after receipt of a written request by a unit's*
36 *owner or his or her authorized agent or a settlement agent, the*
37 *association shall furnish a copy of the statement required to be*
38 *included in the resale package pursuant to paragraph (b) of*
39 *subsection 1 to the unit's owner or his or her authorized agent or*
40 *the settlement agent. The association may charge a fee to cover the*
41 *actual costs of preparing the copy, but not to exceed 25 cents per*
42 *page. If the association has received a written request pursuant to*
43 *this subsection and the association provides a replacement*
44 *statement pursuant to paragraph (b) of subsection 1, the*
45 *association must deliver a copy of the replacement statement to the*



1 *unit's owner or his or her agent or the settlement agent and obtain*
2 *an acknowledgment in writing by the unit's owner or his or her*
3 *agent or the settlement agent. Unless the unit's owner or his or*
4 *her agent or the settlement agent receives a replacement*
5 *statement, the unit's owner or his or her agent and the settlement*
6 *agent may rely upon the accuracy of the information set forth in a*
7 *statement provided by the association for the resale. Payment of*
8 *the amount set forth in a statement or replacement statement*
9 *provided by the association constitutes full satisfaction of any*
10 *unpaid obligation currently due from the selling unit's owner.*

11 5. If the association furnishes the documents and certificate
12 pursuant to subsection 3:

13 (a) The unit's owner or his or her authorized agent shall include
14 the documents and certificate in the resale package provided to the
15 purchaser, and neither the unit's owner nor his or her authorized
16 agent is liable to the purchaser for any erroneous information
17 provided by the association and included in the documents and
18 certificate.

19 (b) The association may charge the unit's owner a reasonable
20 fee to cover the cost of preparing the certificate furnished pursuant
21 to subsection 3. Such a fee must be based on the actual cost the
22 association incurs to fulfill the requirements of this section in
23 preparing the certificate. The Commission shall adopt regulations
24 establishing the maximum amount of the fee that an association may
25 charge for preparing the certificate.

26 (c) The other documents furnished pursuant to subsection 3
27 must be provided in electronic format at no charge to the unit's
28 owner or, if the association is unable to provide such documents in
29 electronic format, the association may charge the unit's owner a
30 reasonable fee, not to exceed 25 cents per page for the first 10
31 pages, and 10 cents per page thereafter, to cover the cost of copying.

32 (d) Except for the fees allowed pursuant to paragraphs (b) and
33 (c), the association may not charge the unit's owner any other fees
34 for preparing or furnishing the documents and certificate pursuant to
35 subsection 3.

36 ~~15-~~ 6. Neither a purchaser nor the purchaser's interest in a unit
37 is liable for any unpaid assessment or fee greater than the amount
38 set forth in the documents and certificate prepared by the
39 association. If the association fails to furnish the documents and
40 certificate within the 10 days allowed by this section, the purchaser
41 is not liable for the delinquent assessment.

42 ~~16-~~ 7. Upon the request of a unit's owner or his or her
43 authorized agent, or upon the request of a purchaser to whom the
44 unit's owner has provided a resale package pursuant to this section
45 or his or her authorized agent, the association shall make the entire



1 study of the reserves of the association which is required by NRS
2 116.31152 reasonably available for the unit's owner, purchaser or
3 authorized agent to inspect, examine, photocopy and audit. The
4 study must be made available at the business office of the
5 association or some other suitable location within the county where
6 the common-interest community is situated or, if it is situated in
7 more than one county, within one of those counties.

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