

**Proposed changes to SB 378(2023) (BDR 10-1059) as introduced**

**Sec 1-** Amend (add to) to read:

(e) The executive board of the association determines it is not in the best interest of the association.

Justification: Delete superfluous language. Constrain from statutorily dictating the methodology around *how* a corporate board makes decisions. Language proposed requires a “determination” but avoids the potential of unnecessary challenges on “as applied” grounds, confusion, or latent ambiguity.

**Sec 4-** Amend NRS 116.31069(2) to read:

- (a) The governing documents;
- (b) Any budgets placed on the agenda of a meeting of the association
- (c) The notices and agendas for any upcoming meetings of the association
- (d) Approved minutes of the association for the past two years and
- (e) Documents identified as being available to unit’s owners in NRS 116.31175

Justification: To improve owner engagement and association transparency, all association documents owners are entitled to inspect IAW NRS 116.31175, should be made easily and immediately available via web portal. As written 1) financial statements, 2) reserve studies, 3) association contracts, and 4) civil action filings – all association records owners are currently entitled to inspect are not included in this proposed bill as being made available via web portal. Also, as written “proposed” budgets provides for ambiguity, i.e. when does a budget qualify as “proposed”. The requirement to provide the annual budget is covered in (e).

**IMPORTANT:** “meetings” is not defined in NRS 116. Recommend adding the following definition in the form of either a note to this section, or better, as a definition in NRS 116.003.

“Meetings” is defined as a gathering or concurrence of a quorum of the executive board or their representatives where business of the association is present.

Justification: Removes ambiguity.

**Sec 5-** Amend (add to) NRS 1164(7)(a) to read:

(6) A declarant, an affiliate (as defined by NRS 78.412), or a formal relationship involving a declarant or an affiliate during the period of a declarant’s control of the association.

Justification: The amendment precludes action(s) or a perception of actions by a declarant to acquire said properties while the governance of the association is controlled by a declarant appointed board. The definition of affiliate address relationships around control. Adding the additional language expands barring a declarant using other relationships where a declarant in not be in control but otherwise participates and/or could benefit.

Prepared 04/10/23 by;

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