**NRS 116.31151  Annual distribution to units’ owners of operating and reserve budgets or summaries of such budgets and policy for collection of fees, fines, assessments or costs; ratification of budget.**

      1.  Except as otherwise provided in subsection 2 and unless the declaration of a common-interest community imposes more stringent standards, the executive board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the association, prepare and distribute to each unit’s owner a copy of:

      (a) The budget for the daily operation of the association. The budget must include, without limitation, the estimated annual revenue and expenditures of the association, [and any] contributions to be made to the reserve account of the association, and any expected expenditures from the reserve account.

      (b) The budget to provide adequate funding for the reserves required by paragraph (b) of subsection 2 of [NRS 116.3115](https://www.leg.state.nv.us/nrs/nrs-116.html#NRS116Sec3115). The budget must include, without limitation:

             (1) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

             (2) As of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

             (3) A statement as to whether the executive board has determined or anticipates that the levy of one or more special assessments will be necessary to repair, replace or restore any major component of the common elements or any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore or to provide adequate funding for the reserves designated for that purpose; and

             (4) A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to subparagraph (2), including, without limitation, the qualifications of the person responsible for the preparation of the study of the reserves required by [NRS 116.31152](https://www.leg.state.nv.us/nrs/nrs-116.html#NRS116Sec31152).

      2.  In lieu of distributing copies of the budgets of the association required by subsection 1, the executive board may distribute to each unit’s owner a summary of those budgets, accompanied by a written notice that:

      (a) The budgets are available for review at the business office of the association or some other suitable location within the county where the common-interest community is situated or, if it is situated in more than one county, within one of those counties but not to exceed 60 miles from the physical location of the common-interest community; and

      (b) Copies of the budgets will be provided upon request.

      3.  Within 60 days after adoption of any proposed budget for the common-interest community, the executive board shall provide a summary of the proposed budget to each unit’s owner and shall set a date for a meeting of the units’ owners to consider ratification of the proposed budget not less than 14 days or more than 30 days after the mailing of the summaries. Unless at that meeting a majority of all units’ owners, or any larger vote specified in the declaration, reject the proposed budget, the proposed budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the units’ owners must be continued until such time as the units’ owners ratify a subsequent budget proposed by the executive board.

      4.  The executive board shall, at the same time and in the same manner that the executive board makes the budget available to a unit’s owner pursuant to this section, make available to each unit’s owner the policy established for the association concerning the collection of any fees, fines, assessments or costs imposed against a unit’s owner pursuant to this chapter. The policy must include, without limitation:

      (a) The responsibility of the unit’s owner to pay any such fees, fines, assessments or costs in a timely manner; and

      (b) The association’s rights concerning the collection of such fees, fines, assessments or costs if the unit’s owner fails to pay the fees, fines, assessments or costs in a timely manner.

Rational- HOA boards should identify along with publishing an annual operations budget all major expenditures of community resources. Current law does not require expenditures from reserves be identified.