



DEPARTMENT OF BUSINESS AND INDUSTRY

REAL ESTATE DIVISION

2501 East Sahara Avenue, Suite 102  
Las Vegas, Nevada 89104  
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[www.red.state.nv.us](http://www.red.state.nv.us)

MEMORANDUM

**DATE:** October 24, 2006  
**RE:** Considerations Concerning Proposed Temporary Regulation #T116-01  
**FROM:** Gail J. Anderson, Administrator

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The Administrator of the Real Estate Division has extended the period for Public Comment on Temporary Regulation #T116-01 – a temporary (12 month) reduction in unit fee paid to the Office of the Ombudsman for Common-Interest Communities from \$3 per unit to \$1 per unit.

The period for Public Comment has been extended to **November 3, 2006 at 5:00 PM.**

Considerations:

The balance forward in the common-interest communities budget reserve at the beginning of Fiscal Year 2007 (July 1) was **\$2.3 million.**

Based upon FY 07 authorized budget (\$1,633,724) divided by the number of registered units (396,838) the cost per unit to support the authorized budget for FY 07 is **\$4.11.**

The reserve is being drawn upon (reduced) by approximately \$455,000 for FY 07.

If the next biennial budget is recommended by the Governor and approved by the Legislature, the “per unit” cost of operation of the program will be **\$4.37 for FY 08** and **\$4.43 for FY 09.** These figures are based upon a conservative “no growth” in numbers of units – which is highly unlikely. As more units are registered and begin paying fees, the per-unit amount will decrease. However, the fact remains that the reserve is being drawn upon every fiscal year.

The reserve fund will be drawn upon (reduced) by approximately \$547,000 in FY 08 and \$485,000 in FY 09.

The proposed fee reduction in R#T116-01 would result in depleting the reserve account by FY 09 and an anticipated budget shortfall by FY 10.

### **Comments and Written Submissions**

Persons wishing to comment on the proposed action of the Division may appear at the scheduled public hearings or may address their comments, data, views or arguments, in written form to:

Nevada Real Estate Division  
Attn: Joanne Gierer  
2501 E. Sahara Avenue, Room 303  
Las Vegas, NV 89104-4137

Written Submissions must be received by the Division by Friday, November 3, 2006. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.