

# Homeowners urged to participate in HOA business

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**Q: I have a few questions.**

**1. Why can homeowners associations get away with whatever they want to do? Is it because they know the homeowners don't want to invest in legal fees, to fight them?**

**2. The HOA president, of my community, told me in September of 2022 that he was working on fixing the numbers and letters of the buildings, but that never transpired. When I moved in, March 2022, the monthly fees had gone up from \$160 to \$180. In 2023 they went to \$207. Then in 2024 they went to \$230. The HOA decided, at the end of last year, that they were going to do projects that were supposed to be started years ago and now they wanted to raise the fees to \$300 a month, for supposedly the next three years. Like they will go back to the \$230 when the projects are completed. Where did the money go for the last few years?**

**3. They said they needed 51 percent of the homeowners to reject the increase and that the voting needed to be done in a Zoom meeting. I took a chance and asked if my vote could be done by e-mail, as I am handicapped, and the community manager said she would apply my vote anonymously. I talked to other residents/homeowners after the meeting,**

and they were under the impression the only way they could vote was through that Zoom meeting. I brought that up to the manager, and she insisted I was wrong, but looking back at the paperwork, it said nothing that the votes could come in by mail, e-mail or telephone. Also, recording my vote anonymously makes no sense. The votes should be transparent. Can we insist that public ballots need to be done, with full disclosure of the voting results? The secret results are not cutting it. I really don't believe the homeowners want the increase from \$230 to \$300 for the next three years, and I am sure they don't want it to continue beyond.

A: I will answer these questions in order.

1. Associations are governed by laws and administrative codes that fall under the jurisdiction of the Ombudsman and the Nevada Real Estate Division. Unfortunately, not every homeowner wants to notify the division to investigate their complaint for many reasons. Too often, it isn't due to legal fees and fights but is due to the apathy by homeowners who do not attend board and homeowner meetings and who do not want to become a board member.

2. It is imperative that boards and managers develop realistic budgets that include the funds for the reserve account. The Nevada Real Estate Division is very concerned that too many associations "owe" their reserve accounts money. You need to review the past annual budgets to see where expenses have increased. For many associations, one of the largest increases in operations is the funding for the insurance that is required by Nevada Revised Statutes 116 laws. In addition, you need to look at the governing documents that would determine how much the annual assessments can be increased each year.

I realize that many homeowners are not accountants, but homeowners

have the right to review the financial information of the association. Find someone who can help you. By reviewing the monthly financials, you would be able to determine how the money was used.

3. Under NRS 116.31151 (3), unless at that meeting (budget ratification), a majority of all unit owners or any larger vote specified in the declaration, reject the proposed budget, the proposed budget is considered ratified. If at the Zoom meeting, there is less than 51 percent of the homeowners online, the budget would be ratified. Too often an actual count or ballots are not necessary because of the threshold that needs to be met. Ballots and secret ballots are not part of the budget approval process.

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