

NEVADA'S GREAT DISGRACE

Pilfering the Nevada Homeowner

by

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I am a tenured psychology professor at the College of Southern Nevada. For the last four years I have studied, investigated and researched the effects of homeowners associations (HOAs) on residence living in HOA communities. At the end of the second year of my research I identified HOA Syndrome, a constellation of signs and symptoms similar to Post Traumatic Stress Disorder rooted in longer term harassment from HOAs verses individual or serial trauma.

I considered the solution to the problem to be relatively simple: Inform HOAs of the harm they're inflicting on their fellow homeowners. At that point, HOAs, now in possession of the information regarding HOA Syndrome, would cease and desist their compoment. It was my belief that I could solve the problem within 18 months of the release of the research. I was delusional. The size and depth of the problem was much greater than I anticipated.

I continued on my path and began investigating management companies, collection companies and law firms; entities whose interest in HOAs was purely financial. Years would pass before I would uncover the origin and source of the problem. What I now refer to as "Nevada's Great Disgrace", would emerge as a deceitful, ugly truth: The state of Nevada is knowingly and intentionally inflicting grave harm on its residence through the creation of HOAs. To understand what has happen in Nevada--and other states--it is important to gain a brief history of HOAs.

HOAs: a brief history

Around 1955 homeowners associations were built as communities within cities, often with a common theme, affording individuals the opportunity to live in a cluster homes which they collectively identified as, "their neighborhood"; a safe, protected place to call "home". It would not take long before businesses recognized there was money to be made off these communities and their homeowners.

Management companies were created to oversee the communities... for a fee. Collection companies were hired to collect money from homeowners... for a fee. And... for a fee, attorneys were hired to enforce community rules and regulations, fine, lien, sue, and foreclose on homeowners who would dare to defy the authoritarian HOA Board of Directors. Rule by an iron fist became the HOA Board of Director's mantra. The HOA and community paid the bills for all the actions whether the HOA was suing or being sued. Management companies, collection companies and attorneys were getting rich from both sides. I call it "Nevada's 21st Century Gold Rush".

In 1995 corruption emerged as management companies, collection companies and attorneys desired to increase their personal profits from HOAs and its residence. To do this fines, fees and lawsuits were increased. Big money began to flow into the pockets of those who were living off the backs of individual

homeowners. And because an HOA is a government separate from for the United States government [difficult to comprehend], those in power did what they wanted without any outside oversight or legal intervention; no one, not even the U.S. Government could, or would, put a stop to the HOAs draconian actions. But how could this happen? Why would the state of Nevada allow this to take place? The answer would come as a great shock to me.

Nevada's Double Taxation Policy

I ask you to understand that to live in the United States one must pay taxes. The purpose of taxation is to support government employees, pave streets, light the city, build and open schools, hire the standing army and police forces, regulate, regulate, regulate, etc.; taxation to maintain the country in which we live. One of the taxes that people must pay is property tax on their home.

What the reader needs to understand is that all people, whether or not they live in HOA, pay property tax on their home and at the same rate; there is no higher or lower rate for homes in HOAs. (As a side note: It is a great myth that homes in HOAs have a higher value simply because of an HOA complex. Proof of this fact comes from property appraisers who give no additional value to homes in HOAs). In some cases, home property tax in HOAs may be increased because homes are individually taxed for HOA common areas such as parks. Cities are not allowed to levy tax on common areas so lost tax revenue is divided equally amongst all the homeowners in the HOA which homeowners unknowingly pay.

People who live in HOAs pay common interest community charges, fees and dues to the HOA. These dues deal with a wide range of expenses, many contrived, but some of which cover the repair of sidewalks, streets lights, common area maintenance, management and collection companies, attorneys, additional insurance, cleanup, etc.

Now, having stated the aforementioned try to wrap your mind around this one. If you do not live in an HOA your tax dollars are used to maintain your neighborhood. But, if you live in an HOA you do not receive tax money for the support of your neighborhood. Your HOA fees and dues pay for those services. Now you have been taxed twice. What does Nevada government get from HOAs? Your government--your fellow human beings and elected officials--save tens of millions of dollars by not expending tax income resources to maintain the HOA community; tax dollars are not accessible to those living in an HOA. You are on your own at the mercy of your neighborhood HOA.

Once the government recognized the enormous savings created by HOAs--a kind of reverse income--city planning commissions made a unilateral decision: All communities will be built as HOAs. The logic: More tax revenue in; less tax expenditure out. And you, the unsuspecting home buyer, has no idea what is happening to you... until now.

Collateral Damage

Throughout the state of Nevada, in fact many states, equity is stolen from homeowners in the dubious form of double taxation, fines, fees, liens, and foreclosures. Since HOA homeowners do not have access to the U.S. court system (Those in Nevada, and many other states, living in HOAs are not allowed access

to the U.S. courts) complaints get buried for years until the homeowner gives up and crawls away. Why doesn't the Nevada government get involved?

Nevada does not want to do anything to stop the cash flow into the city. Homeowners who have been harassed, fined and lost their homes are all considered collateral damage as part of a much larger scheme in favor of Nevada government. As a result of the U.S. policy, "Don't ask; Don't tell" there have been numerous murders and acts of violence throughout the country. Like a bomb that takes out a few innocent villagers in a war torn country, the naive, abused homeowner is nothing more than collateral damage in a sea of profit making. And, there is no end in sight.

Nevada is now habituated to holding onto the money they are making from HOAs. Those in charge will do anything to keep this issue away from public scrutiny. At the same time, businesses who are parasitic off of HOAs fight any and all legislation that blocks them from their mounting cash flow. But the truth is, it is too late for legislative intervention. There are so many laws in place that are anti-homeowner that nothing short of a sweeping federal takeover can undo the damage.

Do You Remember the Civil War?

If we go back into the history of the United States it is relatively simple to recognize that the war between the states, the North and South, was all about money. No need to be concerned about the abuse of human life. No need to be aware of the inequality and the lack of control over one's life. The bottom line was: Don't do anything to interrupt my cash flow; I don't care who's suffering. (In hindsight, most of us would look back at this time in shock and be embarrassed to be party to this kind of abuse.) For approximately 90 years we lived as one under one roof of equality; under one government. But we didn't learn the lesson.

Now we're back to pre Civil War times. Homeowners associations create wars between homeowners. All efforts to inform government officials have been ignored. In fact, the more effort that is made to stop the abuse the more the individual homeowner is taxed and penalized. "Keep your mouth shut or your next."

What's Coming

Before there is an all out civil war there is more pilfering to be done: HOA toll roads, pay-to-park on HOA streets charges, guest entrance fees, mail delivery fees, up charges and the resale of utilities, penalties for having more than two children, pet charges, and on and on and on. With each charge the homeowner has less equity in their property

But this I warn you, I have been an academic, researcher and writer for over 20 years. World history dictates the predictable forthcoming event: The children who are growing up in HOAs, watching their parents and friends being harassed, abused and mistreated are growing to adulthood. They are going to come back, in small numbers at first that will grow in size, and retaliate against members of the community and government for what we have done. So be prepared: When you buy your home in an HOA...

- "You are agreeing to restrictions on how you can use your property: By purchasing property encumbered by CC&Rs you are agreeing to limitations that could affect your lifestyle and freedom of choice."
- "If you fail to pay homeowners assessments you could lose your home."
- "Although the actions and the executive board are governed by state laws, the CC&Rs and other documents that govern the common-interest community, decisions made by these persons will affect your use and enjoyment of your property your lifestyle and freedom of choice and your cost of living in the community."

Complements of your Nevada government:
Nevada Revised Statues 116.41095