

SUMMARY—Establishing provisions relating to property. (BDR S-1041)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

AN ACT relating to property; defining certain terms; temporarily requiring a court to stay certain proceedings for eviction under certain circumstances where a tenant who has defaulted in the payment of rent has a pending application for rental assistance; establishing procedures relating to certain claims for wrongful eviction; temporarily expanding the circumstances under which a court is required to stay proceedings for eviction in order to facilitate alternative dispute resolution; requiring notices for certain proceedings for eviction to contain certain information; establishing temporary procedures relating to the provision of rental assistance to certain landlords of single family residences with at least one tenant who has defaulted in the payment of rent; requiring the disbursement of certain federal money in certain circumstances relating to rental assistance; providing a civil penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes provisions relating to summary proceedings for the eviction of tenants of dwellings, apartments, mobile homes, recreational vehicles and commercial premises. (NRS 40.215-40.425) **Section 1** of this bill defines certain terms for purposes of this bill. **Section 2** of



this bill authorizes a tenant who has defaulted in the payment of rent to claim as an affirmative defense to a proceeding for eviction that: (1) the tenant has a pending application for rental assistance; or (2) the landlord of the tenant refused to accept rental assistance provided on behalf of the tenant. If the claim relates to a pending application for rental assistance, **section 2** requires the court to stay the proceedings for eviction until such time as the application for rental assistance is granted or denied, and further requires the court to dismiss the proceedings for eviction upon the granting of the application for rental assistance. If a tenant proves the claim that the landlord refused to accept rental assistance on behalf of the tenant, **section 2** requires the court to dismiss the proceedings for eviction and authorizes the tenant to file a claim for wrongful eviction.

Existing law provides that a tenant of real property or a mobile home is guilty of an unlawful detainer if the tenant continues in possession of the real property or mobile home, as applicable, after defaulting in the payment of rent. (NRS 40.2512) Existing law provides for a summary eviction procedure when the tenant of any dwelling, apartment, mobile home, recreational vehicle or commercial premises, with periodic rent due by the month or a shorter period, defaults in the payment of the rent. (NRS 40.253, 40.2542) **Section 3** of this bill provides that if a landlord accepted rental assistance on behalf of a tenant who has defaulted in the payment of rent and the tenant was evicted from the real property or mobile home despite the landlord receiving rental assistance for the period of default, the tenant or the governmental entity who administered the rental assistance may file a claim of fraudulent eviction against the landlord. **Section 3** also authorizes a court to: (1) impose certain civil penalties on a landlord who is found to have



wrongfully evicted a tenant; and (2) require the landlord to pay costs and attorney's fees of the plaintiff.

Existing law authorizes a court to stay proceedings for eviction against a tenant of any dwelling unit, apartment, mobile home, recreational vehicle or part of a low-rent housing program operated by a public housing authority for a period of not more than 30 days to facilitate a program of alternative dispute resolution under certain circumstances. (NRS 40.2544) **Section 4** of this bill requires proceedings for eviction, except those relating to nuisances or the sale of a property, to be stayed in order to facilitate alternative dispute resolution.

Existing law requires a landlord to provide notice of proceedings for evictions to tenants. (NRS 40.215-40.425) In addition to the existing requirements, **section 5** of this bill requires the notice to include information relating to rental assistance and the provisions of **sections 2, 3 and 4**.

Section 6 of this bill requires: (1) Home Means Nevada, Inc., or its successor organization, to create an electronic form which may be completed by a landlord who wishes to obtain rental assistance on behalf of a tenant who has defaulted in the payment of rent; and (2) the form to collect certain information relating to such landlords and tenants. Upon submission of the form by the landlord, **section 6** requires Home Means Nevada, Inc., or its successor organization, to determine whether the landlord is an eligible landlord, meaning that the landlord: (1) owns a single family residence; (2) is seeking rental assistance for least one dwelling unit in the single family residence; (3) is domiciled in this State or employs a property manager in this State; and (4) has an annual gross revenue from the rental of all premises in this State of less than \$4,000,000. If Home Means Nevada, Inc., or its successor organization, determines that the landlord is an eligible



landlord, **section 6** requires Home Means Nevada, Inc., or its successor organization, to forward relevant information relating to the landlord and tenant to an appropriate housing or social service agency. **Section 6** then requires the housing or social service agency to attempt to contact the tenant to provide information relating to a program for rental assistance. If the tenant is unresponsive or fails to apply to the program for rental assistance, **section 6** requires the housing or social service agency to inform the eligible landlord of that fact and authorizes the eligible landlord to receive rental assistance, without the application of the tenant, if the eligible landlord agrees to certain conditions.

Section 7 of this bill requires the disbursement of certain federal money in the amount of \$5,000,000 for the purpose of providing rental assistance. **Section 8** of this bill expires the provisions of **sections 1-5** on June 5, 2023.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. As used in sections 2 to 6, inclusive, of this act, unless the context otherwise requires:

1. “Dwelling unit” has the meaning ascribed to it in NRS 118A.080.
2. “Landlord” has the meaning ascribed to it in NRS 118A.100.
3. “Rent” has the meaning ascribed to it in NRS 118A.150.



4. "Rental agreement" has the meaning ascribed to it in NRS 118A.160.

5. "Tenant" has the meaning ascribed to it in NRS 118A.170.

Sec. 2. Notwithstanding any other provision of law:

1. In a proceeding for eviction pursuant to NRS 40.215 to 40.425, inclusive, where the tenant has defaulted in the payment of rent, the tenant may claim as an affirmative defense that:

(a) The tenant has a pending application for rental assistance; or

(b) The landlord has refused to accept rental assistance on behalf of the tenant.

2. If the affirmative defense described in paragraph (a) of subsection 1 is asserted by the tenant, the court shall stay the proceedings for eviction until such time as the pending application for rental assistance is granted or denied. If the application for rental assistance is granted, the court shall dismiss the proceedings for eviction.

3. If the affirmative defense described in paragraph (b) of subsection 1 is asserted by the tenant:

(a) The court shall dismiss the proceedings against the tenant if the tenant proves the validity of the claim; and

(b) The tenant may file a claim of wrongful eviction against the landlord.

Sec. 3. Notwithstanding any other provision of law:

1. If a landlord proceeds to evict a tenant who defaulted in the payment of rent after the landlord received rental assistance on behalf of the tenant for the period of default, the tenant or the governmental entity administering the program for the rental assistance may file a claim of fraudulent eviction against the landlord.



2. A claim of fraudulent eviction must be filed with a justice court in the township in which the premises from which the tenant was evicted is located.

3. If the justice court finds that the landlord accepted rental assistance on behalf of the tenant and proceeded to evict the tenant for nonpayment of rent despite receiving rental assistance to cure the default:

(a) The justice court may:

(1) Impose a civil penalty:

(I) If the claim was filed by the governmental entity administering the program for rental assistance, in an amount equal to the amount of rental assistance obtained by the landlord; or

(II) If the claim was filed by the tenant, in an amount equal to 25 percent of the amount described in sub-subparagraph (I); and

(2) Order the landlord to pay costs and attorney's fees of the tenant or governmental entity, as applicable.

(b) The landlord may not file any claim against the tenant for any delinquent amount of rent paid with the rental assistance.

Sec. 4. Notwithstanding any other provision of law, and except for evictions pursuant to subsection 4 of NRS 40.2514 or NRS 40.255, any proceeding for eviction pursuant to NRS 40.215 to 40.425, inclusive, must be stayed for not more than 30 days to facilitate a program of alternative dispute resolution established by rule by the Supreme Court or a district court or justice court.

Sec. 5. In addition to any requirement for a notice of any proceeding for eviction pursuant to NRS 40.215 to 40.425, inclusive, each notice must contain information relating to:



1. The availability of rental assistance; and
2. The procedures described in sections 2, 3 and 4 of this act.

Sec. 6. 1. Home Means Nevada, Inc., or its successor organization, shall create an electronic form which may be completed by a landlord who seeks to secure rental assistance for a tenant who has defaulted in the payment of rent.

2. The form described in subsection 1 must include, without limitation:

(a) Verification that the tenant:

(1) Has defaulted in the payment of rent; and

(2) Has not enrolled in a program for rental assistance or has not otherwise been responsive to any communication of the landlord relating to a program for rental assistance; and

(b) A description of the premises affected by the defaulting tenant, including, without limitation:

(1) Whether the premises is commercial or residential; and

(2) The total number of dwelling units on the premises;

(c) A description of the landlord, including, without limitation:

(1) The domicile of the landlord;

(2) Whether the landlord employs a property manager for a premises in this State; and

(3) Whether the annual gross revenue obtained from all premises rented by the landlord in this State totals \$4,000,000 or more; and

(d) The contact information of the landlord and tenant.



3. Upon the submission of the electronic form described in subsection 1, Home Means Nevada, Inc., or its successor organization, shall determine whether the landlord is an eligible landlord.

4. If Home Means Nevada, Inc., or its successor organization, determines that the landlord is an eligible landlord, Home Means Nevada, Inc., or its successor organization, shall forward any relevant information relating to the defaulting tenant and the landlord to an appropriate housing or social service agency.

5. Upon the receipt of the information forwarded by Home Means Nevada, Inc., or its successor organization, pursuant to subsection 4, the housing or social service agency shall attempt to contact the tenant who defaulted in the payment of rent in order to relay any relevant information relating to programs for rental assistance.

6. Any action described in subsection 3, 4 or 5 must be taken within 60 days after the receipt of the form described in subsection 1 by Home Means Nevada, Inc., or its successor organization.

7. Except as otherwise provided by federal law, if the defaulting tenant does not respond to the housing or social service agency or otherwise does not apply for rental assistance within the time prescribed by subsection 6, the housing or social service agency shall inform the eligible landlord of that fact and determine whether the eligible landlord will accept the rental assistance on behalf of the tenant who defaulted in the payment of rent. If the landlord accepts rental assistance on behalf of the tenant pursuant to this subsection, the eligible landlord must sign a document which states that the landlord:



(a) Agrees to accept 75 percent of the total delinquent amount of rent from the rental assistance and not collect the remainder of the delinquency; and

(b) Is prohibited from commencing an action for eviction against the tenant for at least 90 days after receipt of the rental assistance.

8. The State Treasurer, an administrator of a program for rental assistance and any other person involved in the distribution of rental assistance in this State shall promote or otherwise provide information to persons relating to the procedures established in this section.

9. As used in this section:

(a) “Eligible landlord” means a landlord who:

(1) Owns a single family residence;

(2) Is seeking rental assistance for least one dwelling unit in the single family residence;

(2) Is domiciled in this State or employs a property manager in this State; and

(3) Has an annual gross revenue obtained from all premises rented in this State of less than \$4,000,000.

(b) “Single family residence” means a structure that comprises not more than four dwelling units.

Sec. 7. If the State of Nevada receives money from the Federal Government on or after July 1, 2021, that the State of Nevada is authorized to use for rental assistance in this State, the Chief of the Budget Division of the Office of Finance in the Office of the Governor created by NRS 223.400 shall disburse \$5,000,000 of that money for providing rental assistance.



Sec. 8. Notwithstanding the provisions of NRS 218D.430 and 218D.435, a committee, other than the Assembly Standing Committee on Ways and Means and the Senate Standing Committee on Finance, may vote on this act before the expiration of the period prescribed for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after March 22, 2021.

Sec. 9. 1. This act becomes effective on July 1, 2021.

2. Sections 1 to 6, inclusive, of this act expire by limitation on June 5, 2023.

