

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON JUDICIARY**

**Eighty-Second Session
May 18, 2023**

The Committee on Judiciary was called to order by Chair Brittney Miller at 8:28 a.m. on Thursday, May 18, 2023, in Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Brittney Miller, Chair
Assemblywoman Elaine Marzola, Vice Chair
Assemblywoman Shannon Bilbray-Axelrod
Assemblywoman Lesley E. Cohen
Assemblywoman Venicia Considine
Assemblywoman Danielle Gallant
Assemblyman Ken Gray
Assemblywoman Alexis Hansen
Assemblywoman Melissa Hardy
Assemblywoman Selena La Rue Hatch
Assemblywoman Erica Mosca
Assemblywoman Sabra Newby
Assemblyman David Orentlicher
Assemblywoman Shondra Summers-Armstrong
Assemblyman Toby Yurek

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator Melanie Scheible, Senate District No. 9
Senator James Ohrenschall, Senate District No. 21

Minutes ID: 1108



STAFF MEMBERS PRESENT:

Diane C. Thornton, Committee Policy Analyst
Bradley A. Wilkinson, Committee Counsel
Devon Kajatt, Committee Manager
Traci Dory, Committee Secretary
Natalie Dean, Committee Assistant

OTHERS PRESENT:

Angela Rock, President, Olympia Management Services, Las Vegas, Nevada
Garrett Gordon, representing Nevada Chapter, Community Associations Institute
Larry Hartman, Private Citizen, Las Vegas, Nevada
Ronda Theisen, Private Citizen, Reno, Nevada
Phil Jaynes, Private Citizen, Las Vegas, Nevada
Samuel Covelli, Private Citizen, Las Vegas, Nevada
Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry
Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada Coalition of Legal Service Providers
Mendy K. Elliott, representing Southern Nevada Regional Housing Authority; Nevada Rural Housing Authority; and Reno Housing Authority
Aaron MacDonald, Staff Attorney, Legal Aid Center of Southern Nevada
Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada
Paul Catha, Political Director, Culinary Workers Union Local 226
Serena Evans, Policy Director, Nevada Coalition to END Domestic and Sexual Violence
Annette Magnus, Executive Director, Battle Born Progress
Chasity Martinez, Organizer, Faith in Action
Lilith Baran, Policy Manager, American Civil Liberties Union of Nevada
Shaun Navarro, Private Citizen, Las Vegas, Nevada
Shelly Speck, Parent Leadership Coordinator, Children's Advocacy Alliance of Nevada; and representing Nevada Strong Start Child Care Services Center
Shanieka Cooper, Private Citizen, Las Vegas, Nevada
Tiffany Banks, General Counsel, Nevada Realtors
Dylan Keith, Assistant Director, Government Affairs, Vegas Chamber
Brenda L. Lovato, representing Institute of Real Estate Management; and General Services Corporation
Ruth Garcia, Private Citizen, Las Vegas, Nevada
Mike Parish, Private Citizen, Las Vegas, Nevada
Robin Lee, Executive Director, Nevada State Apartment Association
Chris Karsaz, Legal Counsel, Nevada State Apartment Association

Chair Miller:

[Roll was called. Committee protocol was explained.] I apologize for the extreme delay, but I think after an entire session of being right on the dot, I have accumulated a few minutes we can use in our late bank; but I still apologize. I know you all appreciate that we are less than 48 hours away from deadline, so there are a lot of moving parts. We have two bills and a work session on the agenda. We are going to start with the work session. I will ask Ms. Diane Thornton, our policy analyst, to walk us through the first bill.

**Senate Bill 38 (1st Reprint): Revises provisions relating to offenses against children.
(BDR 15-425)**

Diane C. Thornton, Committee Policy Analyst:

The first bill is Senate Bill 38 (1st Reprint), which was sponsored by the Senate Committee on Judiciary on behalf of the Attorney General and heard in Committee on May 12, 2023 [[Exhibit C](#)]. This bill revises provisions relating to offenses against children. There is one amendment proposed. The Nevada District Attorneys Association proposed removing sections in the bill requiring sex offender registration or community notification; deleting section 2, subsection 1 from the bill concerning the "person in the position of authority's" intent; and lastly, clarifying the definition of "sexual conduct" as provided in *Nevada Revised Statutes* 201.520.

Chair Miller:

Are there any questions from Committee members? Seeing no questions, I will entertain a motion to amend and do pass Senate Bill 38 (1st Reprint).

ASSEMBLYWOMAN MARZOLA MOVED TO AMEND AND DO PASS
SENATE BILL 38 (1ST REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion on the motion?

Assemblywoman Mosca:

I want to thank the bill sponsors for meeting with me. I would have liked this to be more expansive for nonprofits as well as community groups. But after speaking with them, I am looking forward to working on it in the interim and I will be a yes today.

Assemblywoman La Rue Hatch:

I appreciate my colleague's work on this, and I echo those sentiments that I think this kind of thing happens more than just in schools, and I want to make sure we are covering all of those bases. I look forward to seeing that work.

Assemblywoman Summers-Armstrong:

I ditto the concerns of my colleagues.

Chair Miller:

Are there any other comments? I will also say that I echo the same sentiment of my colleagues. This is not just an issue on a loophole that is pertaining to schools. Although the bill is only addressing that, we have concrete examples of experiences that individuals have where this has happened outside of the schools. But because of the loophole, they were not able to do anything even after calling law enforcement. It is not just based on an expectation or narrative. There have been real-life case scenarios where we know those loopholes have been used in other instances outside of schools where people were not able to be prosecuted for the same behavior, and that is after calling law enforcement. That is where the desire to expand it to cover any situation where a youth may be vulnerable and not just expecting this occurrence only happens in our schools comes from. Is there anyone else who would like to make a comment? [There was no one.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Hardy. We will move to the next one on our agenda.

Senate Bill 61 (2nd Reprint): Revises provisions relating to exploitation involving the deposits or proceeds of an account held by an older person or a vulnerable person in joint tenancy. (BDR 15-427)

Diane C. Thornton, Committee Policy Analyst:

Senate Bill 61 (2nd Reprint) revises provisions relating to crimes involving the deposits or proceeds of an account held in joint tenancy, was sponsored by the Senate Committee on Judiciary on behalf of the Attorney General and heard in Committee on May 12, 2023 [[Exhibit D](#)]. There is one proposed amendment to the measure. The Office of the Attorney General proposed an amendment clarifying that the state is required to prove each element of exploitation beyond a reasonable doubt.

Chair Miller:

Are there any questions from Committee members? Seeing none, I will entertain a motion to amend and do pass Senate Bill 61 (2nd Reprint).

ASSEMBLYWOMAN MARZOLA MOVED TO AMEND AND DO PASS
SENATE BILL 61 (2ND REPRINT).

ASSEMBLYWOMAN COHEN SECONDED THE MOTION.

Is there any further discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblyman Yurek. We will move to the next bill.

Senate Bill 129: Revises provisions relating to certain civil actions involving sexual assault. (BDR 2-573)

Diane C. Thornton, Committee Policy Analyst:

Senate Bill 129 revises provisions relating to certain civil actions involving sexual assault, was sponsored by Senators Krasner, Spearman, Seevers Gansert, et al. and heard in Committee on April 25, 2023 [[Exhibit E](#)]. There are no amendments to this measure.

Chair Miller:

Are there any questions? Not seeing any, I will entertain a motion to do pass Senate Bill 129.

ASSEMBLYMAN GRAY MOVED TO DO PASS SENATE BILL 129.

ASSEMBLYWOMAN MARZOLA SECONDED THE MOTION.

Are there any comments on the motion? [There were none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Mosca. We will move to the next one.

Senate Bill 243 (2nd Reprint): Revises provisions relating to catalytic converters. (BDR 15-37)

Diane C. Thornton, Committee Policy Analyst:

Senate Bill 243 (2nd Reprint) revises provisions relating to catalytic converters, was sponsored by Senator Nguyen and heard in Committee on May 1, 2023 [[Exhibit F](#)]. There are no amendments to this measure.

Chair Miller:

Members, are there any questions on Senate Bill 243 (2nd Reprint)? Not seeing any, I will entertain a motion to do pass Senate Bill 243 (2nd Reprint).

ASSEMBLYWOMAN MARZOLA MADE A MOTION TO DO PASS
SENATE BILL 243 (2ND REPRINT).

ASSEMBLYMAN YUREK SECONDED THE MOTION.

Any further discussion on the motion?

Assemblywoman Cohen:

I am going to vote this out. I know this is an issue, and I am still a bit concerned about what I mentioned at the hearing that I do think there are people who have a lot of junk and do a lot of tinkering and end up with things over the years. The numbers they can have of these catalytic converters before it is considered a crime does concern me, but I will go ahead and vote this out.

Chair Miller:

Are there any additional comments? [There were none.]

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Considine. We will move next to Senate Bill 309.

Senate Bill 309: Makes various changes relating to health care. (BDR 15-498)

Diane C. Thornton, Committee Policy Analyst:

Senate Bill 309 makes various changes relating to health care and creates the crime of fertility fraud, was sponsored by Senator Cannizzaro and heard in Committee on May 8, 2023 [[Exhibit G](#)]. There is one proposed amendment to the measure. Assemblywoman Cohen proposed an amendment extending the statute of limitations for the discovery of a medical condition in a child.

Chair Miller:

Are there any questions? Not seeing any questions, I will take a motion to amend and do pass Senate Bill 309.

ASSEMBLYWOMAN MARZOLA MOVED TO AMEND AND DO PASS
SENATE BILL 309.

ASSEMBLYWOMAN SUMMERS-ARMSTRONG SECONDED THE
MOTION.

THE MOTION PASSED UNANIMOUSLY.

I will take the floor statement. We will move to the last item on work session, Senate Bill 321 (1st Reprint).

Senate Bill 321 (1st Reprint): Revises provisions relating to crimes. (BDR 14-550)

Diane C. Thornton, Committee Policy Analyst:

Senate Bill 321 (1st Reprint) revises provisions relating to crimes. It prohibits a law enforcement agency or forensic laboratory from storing the DNA profile of a survivor of sexual assault unless authorized by federal law or sharing the biological evidence of a

survivor; it is sponsored by Senator Krasner and was heard in Committee on May 2, 2023 [[Exhibit H](#)]. There is one proposed amendment to this measure. Senator Krasner proposed an amendment which essentially adds, in section 6, "survivor's sexual assault investigation or sexual assault forensic evidence kit," and strikes language in subsection 3 of section 6.

Chair Miller:

Members, are there any questions? Not seeing any questions, I will entertain a motion to amend and do pass Senate Bill 321 (1st Reprint).

ASSEMBLYWOMAN MARZOLA MOVED TO AMEND AND DO PASS
SENATE BILL 321 (1ST REPRINT).

ASSEMBLYWOMAN GALLANT SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

I will assign the floor statement to Assemblywoman Summers-Armstrong. We are now ready to move to our bill hearings, which we are going to take out of order. We are going to take Senate Bill 417 first. It is presented by Senator Scheible. Please proceed when you are ready.

Senate Bill 417 (1st Reprint): Revises provisions governing common-interest communities. (BDR 10-970)

Senator Melanie Scheible, Senate District No. 9:

I am happy to be in front of you today presenting Senate Bill 417 (1st Reprint). This is a Senate Committee on Judiciary bill and, as the chair of that committee, I get to answer all of your questions about the bill and talk a little bit about its origins. I will first talk about the genesis of this bill.

Over the course of the last few years, there has been an uptick in harassment, violence, or threats of violence against people who work for, manage, or volunteer with their common-interest community, which is better known as a homeowners' association (HOA). Here in the state of Nevada, we have done a lot of work to try to develop a system that is fair for unit owners within an HOA. We wanted to make sure the people who work at the HOA have some, not the same, but some similar protections, so if there are unit owners within a particular community who are especially troublesome, the HOA has some avenue to hold those people accountable. We are not talking about people who attend HOA meetings and ask lots of questions or maybe oppose a measure that the HOA is voting on. We are talking about people who are actually harassing, threatening, and causing harm to the people who work and volunteer at the HOA.

I think Ms. Rock will be able to speak to a little bit more of that and what some of Olympia Properties and the Community Associations Institute (CAI) members have experienced. I heard from community managers and community volunteers that people within the HOA

were threatening them; were leaving notes on their doors; were posting where their children go to school; were telling people to stop people's children on their way home from school and tell them that their parents were doing bad things or are bad people. That kind of behavior is just inappropriate in any setting and does not quite fall into any other area of the law because we did not want to criminalize behavior that is protected under the First Amendment as someone's free speech rights. We did want to provide some avenue for somebody to hold those people accountable.

Senate Bill 417 (1st Reprint) is designed to allow the Real Estate Division of the Department of Business and Industry, which oversees HOAs, to implement some restrictions that protect the HOA members and directors. We are not talking about calling the police when somebody is harassing a community owner or HOA representative. We are talking about being able to report them to the Real Estate Division in order to limit the contact between that person and the representative of the HOA. You will also see that there is an amendment, and I apologize for any confusion with the amendments. You know how this time of session goes and you send back and forth many amendments. The one that we want to look at is the Mock-up Proposed Amendment 3647 [[Exhibit I](#)].

The heart of the bill is contained in section 4, which allows the Commission for Common-Interest Communities and Condominium Hotels (Commission) to sanction somebody who is found to be a vexatious affiant or a vexatious litigant. This is another form of harassment that we have been seeing in some of our HOA communities where certain owner/members will ask for voluminous documentation that is not related to a relevant inquiry. Ms. Rock, again, will have some examples of people asking for landscaping plans from 1993, and when the HOA representative responds, We no longer have those, not giving up and calling the office every single day to ask for the landscaping plans from 1993. This is taking away from people's ability to do their actual jobs and respond to complaints from homeowners who maybe have a broken sewer line or a sprinkler that is malfunctioning in their front yard that the HOA is not having time to attend to because they are busy trying to track down landscape plans from 1993.

What section 4 of the bill does is it allows the HOA to sanction that person, prevent them from filing additional complaints and requests, and it even allows them to prohibit that person from serving on the HOA board for a certain period of time. I would like to turn it over to Ms. Rock, if that is okay, to explain a little bit more of the genesis of the bill.

Angela Rock, President, Olympia Management Services, Las Vegas, Nevada:

I know that often you hear testimony of bad actors in the HOA realm of management or boards, and certainly that has happened. We are not here to deny that has happened. There is a concerted effort to bring professionalism to our side of the aisle—the management aisle; the volunteer aisle; and the board member aisle—and to do that, and to keep good people, to ask for reciprocal protection for those of us who are working in this industry and working to be diligent and good in that industry.

Looking to the mock-up that Senator Scheible referenced, there are two key elements in that. Section 1 of that amendment is the recognition of the time spent. An owner absolutely has the right to request documentation of their own common-interest community. Absolutely. We have seen bills over the course of the last few sessions to require those to be posted online, including financials, minutes, and those sorts of things. One hundred percent they should have access to that. But to the Senator's point, when in a, say 12- to 13-month period, the same individual makes 342 document requests for things dating back years or decades, there is no balance to their right to receive that against the right of all of their other neighbors who are paying the management company, to spend 10, 20, or even hundreds of hours. You do not see a lot of this, but you see one or two individuals who can consume 90 percent of the management's day making repetitive document requests. This is asking for recognition that there needs to be some balance to that and that individual needs to pay for the management's hours in requesting voluminous documentation. That is the first part of the bill, asking for a balance for those individuals and the neighbors who pay. Anybody who pays assessments wants their assessments to go to the management of the community on a day-to-day basis and not a historical record-keeping search.

The next point to the heart of the bill in section 4 is, often you see that when the management company or the board eventually says, Enough, we cannot keep going back decades and decades or keep answering question after question after question on a particular [unintelligible] document request, those individuals seek the intervention of the state through the Real Estate Division to file an intervention affidavit. In some cases, we have individuals who filed 10, 15, 20 of those intervention affidavits when they do not always get every document or every answer they want. Vesting the power in the state, not in the HOA board but in the state, to say, Okay, we have reached critical mass where now you are overusing state resources, and they have to serve the state at large. Placing power in the Division's hands to label someone a vexatious affiant, similar to what happens in our civil justice system, and giving that power then to the ombudsman to protect their own state resources.

Those are two things we think would be immensely helpful in making sure those who volunteer or work in this industry are protected. As a final note, there are somewhere upwards of 4,000 associations in this state with an average of five board members, a community manager, and various vendors who also from time to time get harassed. We are looking at 20,000 or 30,000 people who need to be professional, need to feel protected, and need to be honored to be in this industry, because I do think it is vital to have good communities in Nevada. I thank you all for your time, and I hope I have given some context to the bill, the necessity of the bill, and I am happy to answer any questions.

Chair Miller:

Are there any questions from Committee members?

Assemblywoman Bilbray-Axelrod:

I am wondering how often this is happening. I have served as a president of an HOA, and I get it. There have been times where you are kind of annoying me, but this just seems so extreme. I was wondering how often this is happening.

Angela Rock:

It is good news, bad news. Good news is that it is not happening with every single member of an HOA. Certainly, you have individuals who are going to have different personalities. What we are looking to do is invest the power in the state to recognize, in these extreme cases—in my discussions with the Real Estate Division and CAI, there are maybe 15 or 20 of these incidents throughout the state that consume almost 80 or 90 percent of a day. You can have one individual in an association of 8,000 who can cause, through the intervention affidavit process—if somebody files 15 or 20 intervention affidavits—your HOA has to hire a lawyer. The corporation does have to hire a lawyer. You can be looking at \$200,000, \$300,000—in the Southern Highlands case, almost \$500,000—in legal fees. The good news, it is not a ton, but still necessary to give the power to the Commission. This is not power that would rest with the management company or the board of directors. This would be power with the Division in the state of Nevada to say this particular individual is utilizing too many state resources and has filed multiple unsubstantiated intervention affidavits, and that is why it is important that the power rests with the state.

Assemblywoman Gallant:

I am familiar with this particular HOA; I mean, it is kind of infamous. I understand why this is coming, and for somebody who has to deal with a lot of HOAs, I see both sides of it. My concern with this bill, in terms of the bullying and the free speech part of it, is that when you run for office, as we know, it puts you in the public light and there are people who are going to be unhappy with your leadership. My concern is boards could weaponize this, not particularly the one, but probably the one I live in right now. That would be something they would do where they would weaponize this legislation in terms of really silencing homeowners. Also, in terms of bringing in that vexatious litigant part of it, I am curious about how we protect boards from not weaponizing that against homeowners; and in terms of the vexatious litigant, who is going to be making that determination? Are you expecting the Division or the courts to do that? Unfortunately, I am kind of familiar with that, and the criteria is quite high and very limited on who gets put on that list.

Angela Rock:

First and foremost, we have to have free and fair discourse both in, as you mentioned, running for office and also in our communities. I think that is what makes them better, and there is absolutely no intent to eliminate free and fair discourse. What this was meant to do, and I think you used the term and it was good, to have a very limited situation where the state has the power.

I want to be very clear, this is not giving power to a management company or a board of directors. They would have no means through this to weaponize that. Instead, what it is doing is giving the Commission—as the mock-up amendment [[Exhibit I](#)] sets forth in section 4, subsection 5—which is part of the Nevada Real Estate Division, the authority in a limited set of circumstances, just like the courts do, to recognize and identify someone as a vexatious affiant. Even then, they would still have the ability to file an affidavit. It would just have to go through the ombudsman, not the board of directors, not the management company, but it would go through the Nevada Real Estate Division. This is an attempt to

give them more power when they recognize an issue is utilizing excessive state resources and excessive association funds. Everybody would still very much have their ability to go to their open forums at the beginning and the end of every meeting and express their issues. There is no attempt to silence that. Hopefully, that answers that question.

Assemblywoman Gallant:

Yes, I understand the public comment, and Nextdoor is definitely a big platform for expressing. I just hope that is protected. But, in terms of bringing the Division, the Commission, and the ombudsman into this, I know there have been some concerns that the ombudsman is not necessarily stepping up to the plate, so to speak. They are really pushing this on homeowners to take civil action. I do think that the Division does need to do more. I am curious how are we going to trust that they are going to actually take this new position, these new laws in terms to really advocate for these boards and for the homeowners who are being harassed?

Angela Rock:

I would be a little outside my scope to speak on behalf of the Division themselves. I will say that I have been in the industry for 25 years, both as a practicing attorney and now as the president of a management company. I was practicing in this industry when the ombudsman was created. I think they have endeavored, at least from what I have seen, to always be very professional and to make themselves available to homeowners. I would hope that level of professionalism would continue, and in the cases we have had, the investigators have, I feel, in a timely fashion, reached out, and I am happy to continue to have conversations with the Division through regulation on how they would manage this. I think being able to reduce some of the consistent and persistent repetitive complaints would allow them the time to do that. I have found them to be professional.

Assemblywoman La Rue Hatch:

Thank you for this amendment. I think it took out a lot of the questions I had. My question remaining, though, is on section 1, talking about the records that are required to be provided upon request. I notice that, and this is not new language, this is the original, but in section 1, subsection 1, paragraphs (a), (b), (c), and (d), all of those are financial statements and budgets. It seems that the intent of this section is so people can know how their money is being spent. If that is the intention, my question is, why are we taking out salaries and benefits as something that people can access, because presumably that is part of how their money is being spent?

Angela Rock:

I believe that, going back to the issue of minutes and financial statements, things about the current financial status of one's association are on the portal that is required as of last session. They can always access those documents, and if they are unable to access their financial statements or minutes through the requisite portals, then we have another issue that is already handled by statute. This is reaching beyond—when we receive requests for every piece of association communication, email documentation, relating back to issues 10, 15, 20, or

30 years ago—for a management company to pull up a financial statement and email it to a homeowner, which is required by electronic format, it would not and should not take more than a few minutes. I think hopefully that answers that piece of your question.

As to salaries, this was also written in part with CAI, and I believe that situation pertains to when a manager is employed by the association itself, then their salaries would, in fact, be part of the budget. When an association is managed by a community management company, then what is paid to the company is part of the budget and should be a record, yes. What that individual makes through the management company, I think is what was looking to be protected in that section.

Assemblywoman La Rue Hatch:

I just want to clarify, because it does say the personnel records of the employees of the association would not be included, including, without limitation, contracts and information regarding salaries and benefits. I want to be clear; you are saying that the amount of money they are paying total towards employees would be reported, but the amount of money they are paying each employee would not. Is that correct?

Angela Rock:

As stated, I believe the amount of money that you are paying to the management company is on a management line item on the budget. For instance, if you are paying ABC management company \$10 a door, the annual amount that is paid to that management company is a line item on the budget.

Assemblywoman Cohen:

I have a question about the review by the ombudsman of the affiants and whether or not it has become vexatious. Is there judicial review of the ombudsman's decision?

Angela Rock:

Is the question would the affiant have the ability to seek judicial review? I apologize, I did not understand the question.

Assemblywoman Cohen:

Yes. I understand what you were saying about how this is similar to if someone is filing false things at court or they are vexatious of court, the court can eventually say they are a vexatious litigant, but there is judicial review because you can appeal those decisions that they are vexatious. I want to make sure that the ombudsman's decision also has judicial review.

Angela Rock:

As I am reading the way that it is written in the mock-up, it is actually the Commission and the hearing panel, which is a panel of nine, that makes that decision. Once you have been through that administrative process, I would argue that then you could seek judicial review if you took umbrage with their decision as a panel of nine. It is not the ombudsman, at least as I am reading the new mock-up. It is not the ombudsman who makes that decision.

Assemblywoman Cohen:

I am sorry if I misstated if I should have said Commission instead of ombudsman, but is there judicial review of the Commission's decision?

Angela Rock:

I believe, as the statute already exists, if you disagree with the decision of the Division, the panel of nine, then you can seek an appeal to the district court; that is my understanding of the problem.

Chair Miller:

Yes, and Legal Counsel has confirmed that is correct.

Assemblywoman Summers-Armstrong:

I would like to tack back to the question that was raised by my colleague regarding personnel records. I, too, am concerned about the limitation that you all have placed here on contracts. If I am paying monthly fees and I am part of this association or this organization, are you telling me that the homeowner does not have a right to know what the employment status is or any of the details of the people they are paying for who are running this organization? It just seems not very transparent. I understand you want to protect privacy, and I think there is a way to do that without letting out too much personal information, but I am concerned that you are hiring a contractor and the contracts are not available. Can you please speak to that?

Angela Rock:

I do think that requires some clarity here. Contracts are absolutely available. If the contract is between the association, that corporate organization, and a management company, another corporate organization, those contracts are absolutely available to the homeowners and that is protected already by statute. Homeowners are allowed to have those contracts. It is not an intent to stymie that, and in truth, my management company is contracted as a management company. I do not particularly have this issue. I think we are talking about associations that contract with individual employees or when homeowners are asking for the contract between me and my employees. There is no privity of contract there between the homeowner and the individual I am hiring. But they absolutely get a right to the contract between their HOA and their management company; anything to which they are a party they have access to.

Maybe my colleagues can speak better to that issue if I am not being clear on that—that portion of the bill was a CAI portion—if there are members of CAI present or we can get clarity on that for you, as they may be better suited to address that particular issue. I most certainly understand what the Committee is concerned about, and homeowners should most certainly have access to any contract to which they are a party.

Assemblywoman Summers-Armstrong:

But that is not what this says. This says employees of the association, not a contract with an outside agency. These are people who are being paid directly with the fees that are being assessed to the homeowner, and the language is saying "employees of that association." Their employment, salaries, and things are not available for people to know, but they are

paying for them. Who is determining how much someone gets paid, whether it is a fair and equitable salary? That is where I am having an issue. You are speaking of a subcontract where the association has hired you or your company to do some work. The language that is in this bill is speaking to people who are directly employed with the money that I am paying as a homeowner. I think that is different. I think there has to be protection of personal information, but everybody cannot be a secret, especially if they are a direct employee; there has to be some type of clarity and transparency on how much we are paying the people who work for us.

Angela Rock:

I agree completely, and we will work to clarify that.

Chair Miller:

Not seeing any additional questions, I will open it up for testimony. Is there anyone in Carson City who would like to testify in support of Senate Bill 417 (1st Reprint)?

Garrett Gordon, representing Nevada Chapter, Community Associations Institute:

We support the bill and the amendment.

Chair Miller:

Not seeing anyone else in Carson City, is there anyone in Las Vegas to testify in support? [There was no one.] Is there anyone on the phone to testify in support of Senate Bill 417 (1st Reprint)?

Larry Hartman, Private Citizen, Las Vegas, Nevada:

I am a community association manager for a large-scale master planned community in Henderson, Nevada, and I am also on a board of directors for a community in Las Vegas. I am in support of S.B. 417 (R1). This bill will allow community associations to recover actual costs for records requests, thus ensuring all members of the association are not bearing the costs for these requests. As a matter of reference, my association where I serve on the board of directors is very small, and as it stands right now, our recovery cost is \$10 per hour for individuals who would like to review association documents. However, if the actual cost of that is \$18 an hour, then every homeowner in my community will pay \$2 an hour for every hour that those documents are reviewed. It will impact our assessments in the future and also affect individuals' ability to purchase within the community.

As the community manager, I have seen how records requests can be weaponized and utilized as retaliation for decisions that the board of directors of a common-interest community have taken. My teams have received multiple records requests from the same unit owners, some requesting records spanning years if not decades, along with subtle differences in the documents being requested just to create chaos and punish the association for the wrongs the unit owner perceives were done to them. As a community manager, I am here to provide a service to all members of the association, and I am expected to provide those services consistently across the board as a fiduciary. My team and I also deserve not to be subject to any form of harassment or intimidation from a unit owner, tenant, guest, or

board of directors and clients. We are hopeful that this bill will continue to provide additional protections and recourse against offenders to ensure the association's workplace is a business environment and everyone is expected to conduct themselves in a professional forum.

Ronda Theisen, Private Citizen, Reno, Nevada:

I am the president of a 100-unit condominium association in Reno, Nevada. I have served my community consistently for the last five years. However, my journey to serve my community started almost ten years ago when I was first elected to the board but resigned after three months because of the constant harassment I was getting, including middle-of-the-night contact, stupid and uninformed. During the period of time between my service on the board, that same individual put out an email he wished to be widely distributed that advised everyone that he had a conceal carry permit and we should be aware anytime we saw him on property that he was armed. When I decided to run again for the board, I actually seriously considered getting a bulletproof vest to wear to meetings. That is how seriously I took that harassment. Another form of harassment was the guy who put a smiley face in the hallway outside a board member's apartment that was tagged with the words, "God hates fags."

A lot of the harassment is more subtle than that. I had one guy who in the period of a year filed four intervention affidavits alleging the same set of facts, each time determined to be unfounded. He also submitted a claim to our insurance company, which again was unfounded but caused us an increase in our directors and officers insurance premiums, not to mention the attorney fees. Last example I want to share is the guy who is trying to get the board recalled, not for any legitimate reason, but because he himself has been fined for doing illegal plumbing work in his apartment without a permit and without a licensed plumber, and that caused a flood into the unit below. It is simple—if you want good people to serve, you need to protect us. Please, please, pass this bill.

Phil Jaynes, Private Citizen, Las Vegas, Nevada:

Between 2006 and December of last year I was the director of the Southern Highlands Board Master Association. I volunteered many hours of my time to hold this position. The reason I did not rerun for my position was because of one individual. I essentially did not have time for his nonsense. For the Assembly person who essentially said you ran for the position and you put yourself in that position, as all of you elected know, if a constituent harasses you, you can ignore them. At the most, you will lose a vote or two. This is about people who actually work for the HOA. By law, they have to deal with these individuals. They cannot just walk away like I did. Ultimately, the people who pay for it are the actual homeowners. As a homeowner, I am paying for all those legal fees, and we need some protection to get it back.

Chair Miller:

Is there anyone else on the phone wishing to testify in support? [There was no one.] Is there anyone in Carson City or Las Vegas who would like to testify in opposition? Seeing none, is there anyone on the phone who would like to testify in opposition to Senate Bill 417 (1st Reprint)?

Samuel Covelli, Private Citizen, Las Vegas, Nevada:

I am speaking in opposition to this bill. Very briefly, section 1, subsections 8 and 9 of the bill should stay with the original language. Right now it says \$10 per hour. There is no cap on this. They want to strike that and make it unlimited. Basically, there is no cap, which is wrong. Who makes the determination on how much a homeowner is going to pay for information that they are entitled to have under statute? This proposed language needs to be eliminated because it conflicts with section 2 of *Nevada Revised Statutes* (NRS) 116.31175. It takes the cap off what period of time an association's management company or the board has to provide you with documents that currently, under NRS 116.31175, they have to provide to you within 21 days. This removes that requirement. That is in conflict with NRS 116.31175, section 2.

The language as far as bullying is total overkill. It is vague, it is ambiguous; it gives a lot of leeway to board members, unscrupulous association attorneys, and managers to silence people. If this bullying section was in our political life, Trump would have been in jail years ago. I probably should not say that, but that is the way it is. This bill is nothing but overkill. It puts fear and intimidation on a homeowner. The bill, as presented, does not reflect what the testimony has claimed as far as its intent.

Chair Miller:

Is there anyone else wishing to provide opposition testimony? [There was no one.] Is there anyone here in Carson City who would like to testify in neutral? Not seeing anyone, is there anyone in Las Vegas?

Sharath Chandra, Administrator, Real Estate Division, Department of Business and Industry:

I am here in neutral and happy to answer any questions.

Chair Miller:

We do not have any questions. Do you have anything else you would like to get on the record?

Sharath Chandra:

As you know, there are about 3,600 HOA associations—that is about a little over 600,000 units—so there is plenty of activity that the Division goes through. There is a process through the ombudsman's office to work through a lot of the complaints. Essentially, what we try to do is resolve them. There are different avenues to do this. It is important to remember that we are guided by statute and by regulation. We just cannot do everything for everybody. We work within the confines of NRS Chapters 116 and 116A. There is an

alternative dispute resolution process in NRS Chapter 38. There is a process for that if folks have issues with their covenants, conditions, and restrictions; that is the avenue that is provided. We are just the intermediary. We facilitate that process, and then if people cannot resolve this, then they can take it up with the court.

I know there were questions about judicial review. We would make a case for whatever the complaint is, and then that goes in front of a seven-member commission, the Common-Interest Commission, appointed by the Governor for a three-year term. They would adjudicate on these matters, and again, that is available for judicial review. The Office of the Attorney General represents the Division, and that is how we take disciplinary cases through the process. Again, it is important to remember that board members are volunteers, and so what we do at the ombudsman's office is we also have a huge educational section that really tries to educate people and tries to give them the tools they can use on the board. There are management companies; these folks are professionals—they are licensed under NRS Chapter 116A—that actually help associations. But ultimately, the board is elected by your homeowners that represent that association. There are a lot of moving parts to this, but I just wanted to put that on the record.

Chair Miller:

Is there anyone else in Las Vegas who would like to testify in neutral? Not seeing anyone, is there anyone on the phone who would like to testify in neutral on Senate Bill 417 (1st Reprint)? [There was no one.] Senator Scheible is waiving final remarks. I will close the hearing on Senate Bill 417 (1st Reprint).

I will open our next hearing, which is Senate Bill 335 (1st Reprint), sponsored and presented by Senator Ohrenschall, Jonathan Norman, and Aaron MacDonald. I believe there was a last-minute amendment sent in this morning. Senator, I want to confirm. Do we have copies of that amendment? Has that been provided to members?

Senator James Ohrenschall, Senate District No. 21:

There is an amendment that Ms. Elliott sent to me.

Chair Miller:

There are two amendments that we have been made aware of.

Senator Ohrenschall:

That is correct. There is the amendment Mr. Norman submitted [[Exhibit J](#)] and the amendment Ms. Elliott submitted [[Exhibit K](#)]. Her amendment is a one-page amendment.

Chair Miller:

Both of those are posted on Nevada Electronic Legislative Information System at this point. Please address both of them in your presentation.

Senate Bill 335 (1st Reprint): Revises provisions regarding real property. (BDR 3-883)

Senator Ohrenschall:

I thank you very much for hearing Senate Bill 335 (1st Reprint) today. Chair and members of the Committee, most of you know I am a native Las Vegas, born and raised in southern Nevada. I love, love that part of the state; love my hometown; and as most of you who come from our part of the state know, our unhoused brothers and sisters, we have never seen such a large population of folks who have not been able to stay in their homes. Senate Bill 335 (1st Reprint) is a small attempt, but I think an attempt that can help try to keep people in their homes and not be evicted and land back on their feet. These are folks who are seeking rental assistance. I believe we have certainly worked on quite a few amendments over in the other house. We are proposing some amendments now. I believe it is a balanced approach that tries to keep people housed but also protects landlords. I have been very lucky to work with some great public interest attorneys like Mr. Norman, judges, and all the other stakeholders in trying to craft a very good bill that I think will help our constituents. With your permission, Chair, if I could turn it over to Mr. Norman and Ms. Elliott, then I am happy to answer any questions.

Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada Coalition of Legal Service Providers:

Aaron MacDonald is my colleague in Las Vegas. He runs the housing team at the Legal Aid Center of Southern Nevada. He is primarily here to answer any questions that get into how this process has worked up until this point. If it is okay, Chair, I would like to give an overview and some background and then walk through the bill.

The bill does two things. One, it creates an extension of time for tenants to pay or quit in a stay of proceedings in nonpayment of rent cases under very limited circumstances. Two, it allows justice courts to create eviction diversion programs should they choose. The pending rental assistance defense was created in 2021 by Assembly Bill 486 of the 81st Session, presented by Assemblyman Steve Yeager. The defense, coupled with historic rental assistance, put nearly half a billion dollars into landlords' pockets and kept tens of thousands of Nevadan families housed during the pandemic—70,000 families in Clark County alone were kept housed because of this program. This defense sunsets on June 5, 2023.

The importance of giving time for tenants to be evaluated for rental assistance before being evicted is vital. Though we are out of the pandemic, we are not out of the eviction crisis. But COVID-19-era rental assistance is behind us, and new sources of rental assistance will be a fraction of the amount of the COVID-19-era assistance. We must use that money wisely, targeting our fixed-income seniors and those with a disability and, in my view, deploying those dollars to ensure that families who have faced emergencies where they missed rent for one or two months are not left in a position where they will become homeless. Those are the two rental assistance programs currently being operated in

Clark County, and just as our rental assistance programs need to be more targeted, so does the tool we use to ensure tenants do not get evicted and then receive their rental assistance after being evicted.

The second part of the bill is eviction diversion court, allowing local justice courts to set up eviction diversion. In 2021 the Department of Justice directly called on state courts to use eviction diversion strategies and programs to prevent mass evictions from becoming a national crisis. The White House, together with the U.S. Department of the Treasury, hosted a summit on building lasting eviction prevention reform in August of 2022. The National Center for State Courts has committed to court-led eviction diversion programs by creating the Eviction Diversion Initiative grant program and convening an advisory panel on this matter. I will get into this in a little bit, but the Las Vegas Justice Court was one of the first courts in the country to apply for this grant and receive it.

The American Bar Association (ABA) and Harvard Negotiation & Mediation Clinical Program released a report in June 2021 called *Designing for Housing Stability: Best Practices for Court-Based and Court-Adjacent Eviction Prevention and/or Diversion Programs*. It said that courts should require landlords and tenants to participate in prelitigation diversion programs focused on maintaining housing stability in guideline five of the ABA guidelines for residential eviction laws. At the White House Summit in August of 2022, the findings included the fact that 180 jurisdictions in 36 states have developed or enhanced eviction diversion programs. Texas has a court-led statewide interagency eviction diversion program. Chief Justice Nathan L. Hecht of the Texas Supreme Court was recognized by the Department of Justice as a leader and early doctor of eviction diversion as a vital solution to the imminent threat of an eviction crisis.

We understood CHAP's [CARES Housing Assistance Program] large pandemic-era rental assistance program was coming to an end, but the need for rental assistance had not ended. We wanted to focus on our most vulnerable members of our community. A working group was started in January or February of 2022 to discuss what would be a glide path out of the pandemic-era rental assistance. Stakeholders began meeting, at times, weekly. Every two weeks, we had a six-hour meeting to talk about eviction diversion and the continuation of some type of A.B. 486 of the 81st Session defense. The Las Vegas Justice Court applied for the National Center of State Court eviction diversion grant and received it. The Las Vegas Justice Court ended up launching that program. Figuring out new programs always takes some time, and I think the program is just getting up and running. That program hinges upon having something in statute. Right now, we have two things. We have the A.B. 486 of the 81st Session defense, which sunsets on June 5, 2023. Without a defense like that, we cannot have eviction diversion programs or a statute like this bill that allows for justice courts to develop eviction diversion programs. In December of 2022, the Nevada Supreme Court heard arguments on whether the adoption of local rules to allow eviction diversion in Las Vegas Justice Court and the Nevada Supreme Court allowed the development of those rules, and that is what has enabled this program to launch, but it needs statutory framework to continue beyond June 5, 2023.

With that, I will dive into the bill. The bill is a rainbow. What I am going to do is try to connect sections as we go. I am going to skip to section 9. As you can see, we did a lot of amending. Judge Melissa Saragosa, who was formerly the chief judge of Las Vegas Justice Court, had a big role in the handling of evictions in Las Vegas Justice Court, where they handled 70 percent of the evictions in the state. In her testimony on the Senate side, she said the bill would, I do not know if she said it was catastrophic or would cripple the ability of the justice courts to function. Obviously, we went back and worked with her and the other judges to make the bill work for the court so it is something they can manage. That is why we have so many different colors on the page.

The bill sets out that the justice court must stay a summary eviction proceeding pursuant to *Nevada Revised Statutes* (NRS) 40.253, which is unlawful detainer, and grant an extension of time for that pay or surrender. This applies to when somebody owes rent, is past due on the rent, and that is the basis of the eviction. This does not reach other types of evictions such as nuisance and lease violations. We are talking just about nonpayment of rent cases. Remember when they get that notice, you have to pay your past due rent, or you have to vacate the premises. What we are doing is creating the ability for the justice court to extend it when there is a pending rental assistance application.

Then we set out in section 9, subsection 1, paragraph (a) parameters on this. A lot of the questions on the Senate side were how we are going to limit this, so we do not have these horror stories of eight months for evictions to happen. We tried to narrowly tailor this to meet the needs of the most impacted in our community. The tenant must have submitted the application for rental assistance before the date on which the landlord filed the affidavit of complaint or before the date the tenant filed the tenant affidavit, whichever comes last. We have that in there because obviously working its way through this body is also Assembly Bill 340, which switches the order. In drafting that, I wanted to make sure that whether the law and the order of eviction stays the same or if the law changes that would be okay. They have to provide proof to the court that the application was submitted, and they must have timely filed the answer. They have to have filed an answer with the court where they request the extension of time and stay of proceedings.

Moving to the top of page 3 in section 9 of the amendment [[Exhibit J](#)], if they do those things, the court must stay the proceeding. The landlord may file a motion. There are circumstances where it may put a landlord at financial risk if the eviction is stayed for up to the 60 days. Again, we tried to put some parameters on that.

We lay out at the top of page 5 what those would be if the landlord files a motion to lift the stay. We go into what the landlord would have to show in evidence. If the landlord is not able to evict the tenant, they face imminent risk of foreclosure or a realistic threat of foreclosure—I think we changed it from imminent—and we tried to set out what the court should look for in deciding if the landlord is at realistic threat of foreclosure. I noticed a

typo; there should be an "or" at the end of three months delinquent on the mortgage due to the nonpayment of rent in section 9, subsection 4, paragraph (1) of the amendment [\[Exhibit J\]](#). The others are:

- The tenant submitted an application for rental assistance in bad faith;
- the tenant will not qualify for rental assistance; or
- the rental assistance combined with any presently-available tenant funds would not cover the full amount of defaulted rent should the application be granted.

The reason that is important is right now in Clark County, for example, the rental assistance program is not more than two months. Well, if the tenant owes three months, what happens if the rental assistance is only going to cover two? The tenant needs to show they have the ability to pay that third month because the idea behind that is not to get somebody two months down the road to create a situation where we are going to be having another eviction. We want to maintain housing. Subsection 5 sets out how long this stay has to be maintained if not lifted by the motion, and then what happens if the rental assistance is granted.

Moving to the top of page 6 in subsection 6 of section 9, we try to lay out what happens in situations where either the tenant or the landlord has acted in bad faith and creates another action, that remedy can be pursued. In the middle of the page, we are, again, narrowing it for when an application is no longer pending. This is to try to weed out cases where we are not going to maintain housing or where the application is not going to be granted.

In subsection 10, "In any summary eviction proceeding, pursuant to NRS 40.2516 for failure to perform conditions of the lease" This section is the only section where we mention something beyond nonpayment of rent. The reason is we want to put a guardrail in case a landlord is creating a pretext to evict a tenant. If the tenant is behind on rent and they want to avoid being put into this defense, they could file it for a pretextual lease violation. This section is attempting to address those instances. They are: "the tenant was in default in rent prior to the service of the notice to surrender;" they have submitted the completed application; filed their answer; proof to the court of the date on which the application was submitted and said applicant's application is deemed complete by the government entity; and finally, "the alleged failure to perform a condition of release is not material to the lease."

I have asked the courts how they would deal with this, and they said, You could have in a lease that the garbage cans have to come in on Wednesday morning. The garbage cans do not come in until Thursday. That is a lease violation. Should a person be evicted for that if the true reason for the eviction is that they have rent due and owing and that lease violation the landlord has filed is merely to circumvent this program?

The definition of "pending application for rental assistance" is located on page 7 of the amendment [\[Exhibit J\]](#). Again, this was an attempt to narrow the number of people who are going to be able to get on this program so that we are not having applications that are not

going to be granted sitting out there. There is a definition of "rental assistance" on page 8 of the amendment beginning at line 1. I am going to briefly turn this over because I think this is where Ms. Elliott's amendment [[Exhibit K](#)] comes into play.

Mendy K. Elliott, representing Southern Nevada Regional Housing Authority; Nevada Rural Housing Authority; and Reno Housing Authority:

As Mr. Norman alluded to, we have added a new subparagraph (2) under section 9, paragraph (b), and it states, "Does not include income based rental assistance pursuant to 42 U.S.C §1437f." The reason that is important is we did not want someone who has simply applied for a voucher to be included in the definition of "federal." By way of reference, the current wait list for a voucher in southern Nevada is approximately 38 months and the current wait list with the Nevada Rural Housing Authority is 23 months. We wanted to make it clear that the reference to the federal funds did not include the vouchers, as we certainly did not want the landlords to be waiting 38 months for there to be resolution on whether someone was going to receive a voucher or not. It is a fairly simple, straightforward amendment. We appreciate Senator Ohrenschall's working with us to make sure this was crystal clear. Thank you, and I am available for questions if necessary.

Jonathan Norman:

Courts may establish these eviction diversion programs but, for example, in Clark County right now, we have an eviction diversion program operating in Las Vegas Justice Court. We do not have one operating in North Las Vegas or in Henderson. The reason we have section 9 is we want people in areas that do not have an eviction diversion program to still be able to be eligible for rental assistance and to not receive that rental assistance after they have been evicted. That is why section 9 exists.

Then section 9.5 is enabling language that allows a justice court to establish an eviction diversion program. For some background on the eviction diversion program in Las Vegas Justice Court, Judge Saragosa did a presentation to the interim committee in May of 2022 about the diversion program. That is the program that has been stood up and is just getting rolling. When the complaint is filed, the tenant gets two dates. One is their eviction date, which is set no sooner than 60 days. It will be set sometime after 60 days. The second one is an eviction diversion meeting. At the eviction diversion meeting the idea is, they are going to be connected to social services to see what additional needs the family has. Is rehousing going to be something that we need to look at? Are we going to be able to maintain housing through rental assistance? Do they need to be connected with a legal aid provider to determine if there are any legal defenses or if there is another reason the tenant has been unable to pay rent? For example, they have a lot of medical debt they have been servicing, and maybe a bankruptcy is appropriate. When I think of a diversion program, I think it is connecting those people with other resources that can help get them caught up on their rent and then get them in housing they are able to maintain. With that, I will send it back to Senator Ohrenschall.

Senator Ohrenschall:

I am happy to answer any questions.

Chair Miller:

Are there any questions from Committee members?

Assemblyman Gray:

With regards to the rental assistance programs that are available, which ones are available now? How many months do they provide? And how long does it take for the applications to be processed?

Jonathan Norman:

Currently, in Clark County there are two rental assistance programs. Broadly, one is for seniors or someone with a disability who is on a fixed income. By fixed income, we mean social security disability. I think there were some people who had pensions who applied. They said, We get the same amount every month. It is not for them. This is for people who are on social security disability, have faced a rent increase, and their income obviously has not risen.

The second program is designed for people who are no more than two months behind on their rent. You have to be one or two months behind, and the idea is, if you had an emergency, you have shown that you have been able to pay your rent, and if we get you righted, if we get you current, you are going to be able to pay rent going forward. I believe that program you can only access once. It is a one-time shot to get a family back on their feet so they are not evicted. I will see if my colleague, Mr. MacDonald, has anything to add because he is in the granular level in Clark County.

Aaron MacDonald, Staff Attorney, Legal Aid Center of Southern Nevada:

No, that is correct. There are two primary rental assistance programs under Clark County Social Services. The idea is to keep elderly and disabled folks housed and then allow folks who had that temporary hardship to cure the rental arrears and resume paying rent going forward, but it only allows for payment of one or two months in this limited circumstance. They are much more narrow types of rental assistance than we historically have had and we had during the pandemic, but we still expect those programs to be needed and to keep folks housed when they are facing these types of hardships.

Jonathan Norman:

When we think of the pandemic-era rental assistance, I do not know if we have anybody from the county, but the burn rate for Clark County during that time could be \$15 million to \$30 million a month of rental assistance. The burn rate for these programs, I think the Interim Finance Committee designated \$15 million in October for Clark County, and I think there is an appropriation bill for \$22 million for each year of the biennium. We are scaling it back to something like 12 percent of the pandemic-era rental assistance.

Assemblywoman Hansen:

First of all, a little background. I am sympathetic to this. I grew up in this sort of situation. I think many have heard my story. I moved 17 times in 18 years as a kid—single mom. I know what eviction looks like, and that being said, I still have issues because it is such

a complicated picture. Eviction, getting behind on the rent, there are multiple factors, and all circumstances are individual. I know in my situation with my mom, not necessarily any of this would have helped the outlying issues that are going on in a person's life that get you to a position where you are struggling to get your rent paid.

My issue is in the language on page 5, beginning on line 42 of the amendment [[Exhibit J](#)], that says, "Evidence that the landlord faces a realistic threat of the foreclosure of the premises if the landlord is not able to evict," if they are behind on their mortgage, that sort of thing. Some people do not have a mortgage. There are mom-and-pop folks who own one rental property, maybe a couple, that they have really worked hard to get in their life, and they do not have a 401(k), and these rents are their retirement or their ability to pay for their children's college. I have concerns that just because a property might be for those that have a mortgage, what about those that do not have a mortgage? How do we know what they do with their funds? Are we going to ask them to now be accountable to the state? How do you spend your rents in order for you to qualify for maybe an exemption on being able to evict?

Senator Ohrenschall:

As I look at the language of the proposed amendment on page 5, certainly, I see one of the potential factors that a landlord could present to the court as evidence of that realistic threat being the delinquency on the mortgage payments, but I also see the tax or utility lien being placed on the property. I think that would also protect a landlord if they do not have a mortgage on that property, but they are still in a financial hardship situation. As to the other factors, I think that if the last section on diversion courts passes and we see more of these eviction diversion courts established, tenants in trouble might get some of these wraparound services that are mentioned in the bill and hopefully be able to make the landlord whole and to get back on their feet. That is my hope with the bill. If I missed anything, please jump in, Mr. Norman or Mr. MacDonald.

Jonathan Norman:

The only thing I would add is during the CHAP program, we had tenants who were eligible for 18 months of rental assistance. Some of those cases could stretch out quite long and put landlords in a vulnerable position. If you are at five or six months without getting rent, we do not have those programs now. We are talking about one or two months for the eviction diversion court section. They can extend that period of time for no more than 60 days. Hopefully that, coupled with the hardship language, strikes that balance where we are considering where the landlords are coming from, but also where the tenants are coming from and trying to get those people where we can maintain housing.

Aaron MacDonald:

This bill actually will help the mom-and-pop landlords. Like Mr. Norman said, there is a very limited period which the rental assistance application will be reviewed. But what we are hoping is that these tenants will receive rental assistance to make the landlords whole. So rather than evicting the tenants and trying to pursue the tenants through small claims court or through hiring counsel and suing in a justice court or district court for the back rent, the landlords will be made whole through the rental assistance agencies. A lot of these tenants

who are on fixed incomes are going to be collection-proof, meaning that even if counsel is hired to pursue these tenants for back rent, there will not be any money there available to pay the landlords. In effect, by standing up these rental assistance programs, it is going to help the mom-and-pop landlords because they are going to receive the funds to keep the tenants in the house.

Assemblywoman Mosca:

As someone who also experienced eviction growing up and knows what the impact can be for our community, especially representing East Las Vegas with you, Senator, can you share some of the numbers of what is happening and why we need this for the record?

Senator Ohrenschall:

I would defer to Mr. MacDonald or Mr. Norman on those numbers that I do not have.

Jonathan Norman:

I think Mr. MacDonald is there every day and he has a handle on what our Civil Law Self-Help Center is seeing all the time.

Aaron McDonald:

We saw 30,000 evictions last year in Las Vegas Justice Court alone. That was almost double, year over year, what we typically see. As far as the justice court, they typically see tens of thousands of folks coming through the door every single year applying for rental assistance. As far as eviction diversion court, it is my understanding that the court is scheduling 50 meetings per day, Monday through Thursday. We are looking at approximately 200 folks in Las Vegas Justice Court who will have eviction diversion meetings before having an eviction hearing on these nonpayment of rent cases.

Jonathan Norman:

I will add the Legal Aid Center operates the Civil Law Self-Help Center at the Regional Justice Center, and they see between 300 and 500 people every day coming in, and over 90 percent of those are eviction cases. If you think about the volume, if we spread that over a year, we are talking tens of thousands of people.

Assemblywoman Gallant:

I have gone through the rental assistance process over the last two years pretty intimately. I understand how this works. Just for clarification, Mr. MacDonald, in order to expedite the rental assistance process, we had to file the eviction. I have asked for numbers on how many actual lockouts happened. I think that was a little misleading, but I will move on. In terms of one of the things that we struggled with and that we are still struggling with within the courts is that A.B. 486 of the 81st Session required that we accepted that rental assistance. Now we have come to the end and something happened that we did not intend, and that happens frequently. The judges up there, the tenant only has five months left of rental assistance. She has been in the property for ten months. Legally, the landlord has to accept these funds, but there is statute that says we are not allowed to accept partial payments and move forward with the eviction. But the courts are so far out that at this point, it is an undue burden on the

landlord. Many of my landlords carried these rents or these mortgages for over a year before we had any idea whether we were going to get rental assistance. Now the judges having to use judicial discretion say, Hey, if the tenant does not have the remaining money in X number of days, I will still grant the eviction.

Would you consider adding another amendment? In the event that we are in a situation with the rental assistance, the courts are backlogged, the tenant does not have the remaining money by the time the landlord receives a rental assistance, and the court date is two months out after the rental assistance has covered those other two months. In those cases, if you can grant the judge to allow the eviction to continue with the landlord accepting partial funds—just the rental assistance, not the tenant's money—so that it reduces some of the burden on the landlord to go through this process because they have carried a lot of this burden over the last two years. I guess my thought process is greater good so that if you are not making this such an arduous and tedious and tenuous market, the landlords are more likely to stay, which we need them to, so these tenants have housing. I am just wondering if that would be something you would consider?

Senator James Ohrenschall:

Thank you for the suggestion. We have been working with Mr. Norman and a lot of stakeholders and are certainly open to other ideas. As to that idea, I would like to defer to Mr. Norman and Mr. MacDonald for their opinion on it.

Jonathan Norman:

I asked the courts how they would deal with this situation. Just so we are talking about the same thing, if we have the program where you get two months of rental assistance, and actually before you can get the rental assistance you have a court date, let us pretend it is 65 days out. Well, you were owed rent when that started. By the time we get there, you are probably at three months and maybe there is only two months of rental assistance. In the bill, it says that the tenant has to be able to come up with that other month. We get two months of the rental assistance. I asked, Does the court date get vacated? What would we do in Las Vegas Justice Court, which is the only place we have a program right now? They said they would maintain that court date and the tenant would have had to cure that third month before that court date or they would be evicted. There is always that line between micromanaging courts and giving judicial officers discretion. I think we are open to that discussion. That is how Las Vegas Justice Court would handle that case right now.

Assemblywoman Gallant:

In terms of the program, if the tenant is denied because the grant program has determined they cannot continue to pay the rent, is the court date then expedited or does the landlord have to wait those three months essentially?

Jonathan Norman:

If I understand the question, let us say the tenant does not cooperate. They do not show up at that 15-day diversion date. What happens?

Assemblywoman Gallant:

Yes, if they do not show up to the 15-day, or maybe we know they are not going to qualify, however it is determined, within that first month.

Jonathan Norman:

I guess it would depend on the jurisdiction. In Las Vegas Justice Court, which again handles 70 percent, they would maintain that court date. It may seem like that is not a good thing for landlords, but the ordinary course right now in Las Vegas Justice Court, they are getting hearings at about 75 days. They will have the hearing faster through the diversion program because they are going to be set no sooner than 60 days. I do not know that they have the ability to set those faster. I certainly would not object. But right now, the ordinary course is around 75 days. That diversion court date for the eviction is a faster court date than a landlord would get in the ordinary course. I am saying they are not going to reset it in the ordinary course and go another 75 days out. They are going to maintain that 60-day date, which is sooner than they would have gotten a court date had this case not been diverted.

Assemblywoman Hardy:

It was mentioned last year there were 30,000 evictions in Clark County. I am just curious how many of those were repeat filers and, also, how long does it take approximately for an application for rental assistance to be processed?

Jonathan Norman:

Could you repeat the first part of your question?

Assemblywoman Hardy:

Regarding the 30,000 evictions that were filed, how many of those are repeat filers?

Jonathan Norman:

I do not think the legal aid providers would have an idea of how many of those are repeat filers. The second part of your question was how long the applications take to process? The CHAP-era program ended on January 22, 2023, and I do not think they have completed processing the applications filed on January 22, 2023. We are in May, so that is quite a bit of time. But again, that was a program open to anybody who had a COVID-19 impact. The volume of cases was much higher than what we are going to see in these new programs. I do not know if Mr. MacDonald has anything to add on how quickly the two rental assistance programs that are currently live are processing applications. The county would probably be in the best position to answer whether staff will be diverted once the CHAP program has truly ended, because remember, they took applications up until January 22, 2023.

Aaron MacDonald:

Anecdotally, we first started having eviction diversion meetings in person last week. I have been seeing tenants approved or denied for rental assistance as quickly as this week. These new programs are much narrower in scope, and it is easier for Clark County Social Services

to screen them for eligibility. For the new programs, I am seeing decisions in some of these cases within a week. Clark County Social Services would be the people to ask about how long they anticipate the rest of the applications to be processed.

Assemblywoman Hardy:

When I worked in the justice court, they had a hearing master who did the evictions. I am just wondering now with the diversion court, is that still one judge doing the diversion court and doing the regular eviction court?

Jonathan Norman:

Yes, we say diversion court, but it is really a diversion meeting nested within the justice court. There is not a new hearing master. They may have a special calendar which they will run for these cases, but there is not a separate court for it.

Assemblywoman La Rue Hatch:

I appreciate your mentioning that we are still in an eviction crisis, and we know that rents are skyrocketing, and I appreciate that you are trying to tailor this and ensure that all parties are protected. We know that at least 30 percent of houses in Clark County were bought by out-of-state corporate investors; that is not even counting the in-state corporate investors. While I appreciate the concerns about mom-and-pop investors, I also want to make sure we are protecting people against predatory practices. With that in mind, I want to know what other programs there are besides Clark County? Are there any other rental assistance programs in the state? And is there anyone looking to prop up those programs? If no, what other states are doing something similar to what you are proposing with this legislation?

Jonathan Norman:

I believe the City of Reno operates a rental assistance program, and it can be a misnomer to think it is just the City of Reno, as I think it is available in the surrounding areas. I know there was an amendment—I have not tracked where that came with the appropriation to appropriate additional funding to that group. I think it touches on some of the rurals up here. The second part of your question is what other states are doing this. Again, eviction diversion courts are the trend nationally. The numbers are growing. Whether they are statutorily set up or judicially set up, I think the trend is to have these programs to maintain housing around the country, and this is not an idea that we are piloting here. It is something that I would have to go back to the beginning of my remarks, but I think I said there were 180 programs in 36 states.

Mendy Elliott:

I am happy to provide that data to you from both Reno as well as the rurals.

Assemblyman Yurek:

By the way, I really appreciate the balance of what you are trying to strike. It is a difficult balance between the landlords and what we see in some corporate, greedy landlords, and we know there are the mom and pops who are out there just trying to survive on this money. It is a difficult thing. I applaud your efforts to try to work through this challenge. I know we

are not a finance committee. My question is related to some finance, but it is really going to get to the heart of policy. The number that you came up with, if I heard correctly, but it sounds like there was a \$22 million biennium appropriation to help fund as these CHAP funds are running out to do this. I am curious as to how you came up with that amount, and with the number of evictions that we have, the average amount that they are paying—two months if that is the average that we are doing—and what those costs are? Then what happens to this program if that funding runs out?

Jonathan Norman:

I believe Clark County came up with the number for \$22 million. I know that was presented in Senate Finance and they had their rationale behind that number, and I do not have that with me today. It is the same for the City of Reno, and they asked for \$4 million per year of the biennium. I think the second part of your question was what happens if rental assistance is no longer available? If there is not rental assistance, there is not the defense; the defense is contingent upon there being rental assistance. I think the eviction diversion court, if we flip to section 9.5, says that the court may consider without limitation whether the tenant is eligible for any programs. That would include rental assistance. I think the court would be able to still stay the case and connect that tenant to wraparound services even without the rental assistance for that period of time.

Chair Miller:

I am also going to ask that you provide very concise responses because we are right now looking at the amount of testimony ahead of us and we do have floor today, so we need to make sure that we are on the floor.

Assemblyman Yurek:

I guess it could probably be a one-word answer, but it sounds like, from that and from my reading of it, it looks like if that were to happen under that scenario, we are going to shift the burden of a 60-day to fall on the landlords, correct?

Jonathan Norman:

I would say that a landlord who files a case in Clark County is going to get a court date at 75 days. Under the eviction diversion court program, they are going to get a court date set sooner than that. That could change if the number of evictions lets up, if we get more court staff, more judges; I am sure they can lower that timeline. I am sure they would love that. But right now, if you file an eviction and you are out of an eviction diversion court in Clark County, you are getting a court date at 75 days.

Assemblywoman Newby:

Thank you, Ms. Elliott, for the amendment because that was my biggest concern about the voucher programs knowing the length of the waiting list. Section 9, in the beginning of the amendment, you struck, "designated" and went to "summary"; struck "may" and went to "must"; and struck the affirmative defense. Could you explain what the series of those changes mean in terms of the court proceedings and what that tells the judge and everyone to do?

Jonathan Norman:

I think the biggest part is switching from the affirmative defense to that; it is an extension of time to pay or surrender. I think that some of the criticism is, a pending rental assistance is not a defense and it is an admission to an eviction. Because you are admitting that you cannot pay rent, and that is a ground for eviction. I think, functionally, if I am just thinking logically, this is an extension of that time to pay or quit. It syncs more with our ideas of what a defense is and what law is, and then the tenant must be granted the extension of time. We did not want there to be discretion in that moment because we are putting in a lot of guardrails and fleshing out what a good faith application is and fleshing out those guardrails later in the bill. We did not want to have the discretion there. We put it later in the bill in definitions of pending rental assistance. You cannot have an application and be sitting on paperwork that the social services need to make the determination; that is not considered pending rental assistance application.

Chair Miller:

Not seeing any other questions, I will open it up for testimony in Carson City in support of Senate Bill 335 (1st Reprint).

Christine Saunders, Policy Director, Progressive Leadership Alliance of Nevada:

I am a founding member of the Nevada Housing Justice Alliance. We are in support of Senate Bill 335 (1st Reprint). Our coalition formed after the 2019 Session to bring tenant voices directly to the Legislature. During the past two years, our coalition has conducted community outreach, put on educational trainings on tenant law and assisted in filing for CHAP and responding to summary eviction notices. We saw firsthand that the protections which were passed in A.B. 486 of the 81st Session at the end of the 2021 Session kept Nevada families housed, kept Nevada families together, and kept Nevada families healthy. It is imperative that we continue to utilize these proven methods to ensure housing stability. In fact, housing stability is the foundation for children's educational success, positive health outcomes, economic opportunity, and equitable, vibrant communities. Our communities cannot thrive when Nevadans are struggling to maintain safe, secure, and affordable housing. We urge your support of Senate Bill 335 (1st Reprint) to ensure every Nevadan has a place to call home and can thrive in dignity.

Paul Catha, Political Director, Culinary Workers Union Local 226:

Culinary Union members are still recovering from the effects of the pandemic. Thousands received rental assistance during the pandemic, and many were protected by the A.B. 486 of the 81st Session defense. We think it is good for the state to continue making sure that folks who are getting rental assistance from the state are not evicted while they are waiting for that money. The Culinary Union urges the Committee to support S.B. 335 (R1).

Serena Evans, Policy Director, Nevada Coalition to END Domestic and Sexual Violence:

I will say until I am blue in the face that housing justice is violence prevention and intervention and just want to remind you all that in 99 percent of abusive relationships, victim-survivors of domestic violence experience economic abuse. This abuse often

negatively impacts every aspect of their life, including their ability to house themselves. We know that safe and stable housing is the key for individuals being able to leave their perpetrators and rebuild their lives. Programs like these are a critical step in keeping individuals safe and stable. We urge its passage.

Annette Magnus, Executive Director, Battle Born Progress:

We strongly support S.B. 335 (R1) and thank Senator Ohrenschall for bringing it forward. Families who are summarily evicted do not have proper due process. The current process is contrary to civil procedure. At a time when Nevada is facing a housing and homelessness crisis, working class Nevadans are struggling to get by and still recovering from the pandemic. We have to do everything we can to bring relief, and this bill does just that. This bill is critical. I saw firsthand this crisis when I ran the food pantry out of my garage during the pandemic. I know Nevadans are still struggling. Please support S.B. 335 (R1).

Chasity Martinez, Organizer, Faith in Action:

I am an organizer with Faith in Action, Nevada, and wanted to come here to offer our support for S.B. 335 (R1). We believe that housing is a human right. We know more and more of our community members are falling into homelessness because of this eviction process and because of lack of support there. We urge you to please support this bill and support any compassionate solutions for people in our community.

Chair Miller:

Is there anyone else here in Carson City? Not seeing anyone, is there anyone in Las Vegas who would like to testify in support of Senate Bill 335 (1st Reprint)? Not seeing anyone, is there anyone on the phone who would like to testify in support of Senate Bill 335 (1st Reprint)?

Lilith Baran, Policy Manager, American Civil Liberties Union of Nevada:

We are in strong support of S.B. 335 (R1).

Shaun Navarro, Private Citizen, Las Vegas, Nevada:

I want to call in and support this bill, please. Actually, please pass it, and in the interest of time, I will just quote Smokey Robinson and say, I second that emotion because we support this.

Shelly Speck, Parent Leadership Coordinator, Children's Advocacy Alliance of Nevada; and representing Nevada Strong Start Child Care Services Center:

In order to prevent families from slipping into homelessness, we must ensure tenants are given clear and concise instruction on how to respond when receiving an eviction notice so they can take appropriate corrective action. Since evictions have become commonplace statewide due to a lack of oversight and competition for properties, tenant protection is needed now more than ever. Many tenants are unable to navigate the legal jargon of an eviction notice to be able to address it. This results in tenants or families misunderstanding the process, eventually self-evicting and then waiting in limbo for alternate housing when they could have been connected to crucial resources and interventions early on. The stress of

tenant evictions affects families and children. By streamlining the eviction process and removing barriers to prevention, children will have a better chance of achieving stability and successful outcomes when they are less likely to be thrown out into the streets. It is unimaginable that families were evicted so easily this past year in northern Nevada during the coldest winter within the last 50 years. When we can first secure housing, then we can ensure the health, safety, and well-being of children. Ask yourself, what can I do to prevent another child from becoming unhoused? When you leave here today, please make a commitment to reorganize the eviction process in existing law and support S.B. 335 (R1).

Shanieka Cooper, Private Citizen, Las Vegas, Nevada:

I am calling in support of S.B. 335 (R1). My family and I have been directly affected by the eviction process, and I urge you to please support this bill. Thank you, and have a good day.

Chair Miller:

Is there anyone else wishing to provide testimony in support? [There was no one.] I will open it up for testimony in opposition to Senate Bill 335 (1st Reprint), starting here in Carson City.

Tiffany Banks, General Counsel, Nevada Realtors:

We are testifying today in opposition to S.B. 335 (R1). We would like to thank Senator Ohrenschall for continuing to work with us on this bill and get us to a place where there is a fair and balanced approach for both landlords and tenants alike. As you may be aware, our mom-and-pop landlords do not want to have to evict their tenants, and in fact, work with their tenants doing everything they can to not get to the point of eviction. We want to clarify for the record that the data shows that rents are actually declining and not skyrocketing.

We have concerns with this bill as drafted, specifically section 9 that sets forth a process whereby the tenant is granted an extension of time to stay the proceedings. We are very concerned that without specific timelines set forth on how quickly the county must process these rental assistance applications that they may not be processed in a reasonable amount of time. Further, in order to grant the landlord's motion to lift the stay of the eviction, the court must find evidence that the landlord faces a realistic threat of foreclosure as well as the other things named. If the landlord is facing these scenarios, they are already so close to risking losing their property or having the ability to become current on their mortgage because of the lengthy default period for the payment of rent. There are many other scenarios where our hardworking landlords can suffer. If they themselves are elderly, for example, living on a fixed income, relying on the tenant's rent to support them, this makes it impossible for them to afford to repair the property. Many rely on this rent to survive.

There must be a sunset to section 9 so we can be sure the county is able to adequately process rental assistance applications as they come in, be sure they are staffed, the staff understands the actual process as well as be sure there is funding, and the funding can be replenished if it runs out.

We support the work and development of the diversion program set forth in section 9.5 of this bill. We just have a few outstanding questions regarding the fast track of the evictions if the tenant fails to show up to the diversion program or does not provide necessary documents. We believe in connecting those with the right programs and services that actually work. As you see, there are some difficult issues. We will continue to work with the bill sponsor and Legal Aid to address these issues.

Dylan Keith, Assistant Director, Government Affairs, Vegas Chamber:

We would like to largely echo the sentiments raised by Ms. Banks and the Nevada Realtors. We would also like to thank Assemblywoman Summers-Armstrong for her work on Assembly Bill 340, which largely mirrored this legislation. We were able to find a decent spot to work with, but we do stand in opposition to this bill at the moment.

Chair Miller:

May I ask, did you support Assembly Bill 340?

Dylan Keith:

No.

Chair Miller:

Okay, but you appreciate her cooperation. Is there anyone else here in Carson City who is in opposition to S.B. 335 (R1)? Not seeing anyone, is there anyone in Las Vegas in opposition to Senate Bill 335 (1st Reprint)?

Brenda L. Lovato, representing Institute of Real Estate Management; and General Services Corporation:

Senate Bill 335 (1st Reprint) further negatively impacts the housing industry. It extends A.B. 486 of the 81st Session indefinitely. Assembly Bill 486 of the 81st Session has had a profoundly negative impact on the housing industry and has significantly disrupted the ability of the courts to move eviction cases in a timely manner. The pandemic is over, and all the other businesses have been allowed to return back to normal. That is the reason why A.B. 486 of the 81st Session was originally put in place, for the pandemic. I could go on and on, which I am not going to due to time, but I could go on about all the horror stories that we have experienced. As one of the presenters in favor of the bill said they have said how long we still have applications that are in January that have not gone through the queue, so we do not know if we are going to get the rental money. I am asking for relief for our industry and oppose Senate Bill 335 (1st Reprint).

Ruth Garcia, Private Citizen, Las Vegas, Nevada:

I am with Westland Real Estate Group. I want to echo what Ms. Banks said. We all have suffered through this whole process of CHAP applications, and it takes many months. We have residents that owe us \$7,000, \$8,000, \$10,000 \$15,000, even \$20,000. This program you are talking about is not going to help us with that. This is only going to cover two months. We are never going to get these residents to pay that amount, and the courts are just holding us up. We are definitely in opposition of Senate Bill 335 (1st Reprint).

Mike Parish, Private Citizen, Las Vegas, Nevada:

I was conflicted on which presence I would present today because I stand with a foot in both parties here. Presently, I am a real estate broker. I am a former mortgage banker. I am a former landlord. I am also formerly homeless. I also started a nonprofit, CredoLV, which is Community Revitalization Economic Diversity of Las Vegas, back in 2018. I have seen the frontline effects of homelessness, and there are two matters that have not been discussed in all the testimony that we heard this morning, which I wish to bring to your attention.

There are two words that sum this up quite simply and that is rent control. One need only look at San Francisco, Los Angeles, and New York City to see how effective that is. The other is that we talk of these families and these individuals who will be displaced for nonpayment of rent. But that does not take into account the tens of thousands of individuals who are currently homeless, who have no place to be sheltered, who already have a voucher, and the vouchers are expiring because there is a lack of available housing. Those individuals deserve the same chance to get on their feet as the people who are not paying rent.

Lastly, on that point, it was stated previously that the vast majority of these landlords are, in fact, moms and pops; 30 percent are the vicious, evil, corporate landlords, while 70 percent, the overwhelming majority, are moms and pops. Let us not forget that when these folks missed their mortgage payments, they ended up not being able to get requalified for housing either. What happens when they become homeless because they cannot pay their bills and their credit is destroyed? They are forced to file bankruptcy. What we are doing is shifting the burden from people who are trying to do best by not only themselves and their neighbors, but shifting it to them from those who have had ample time to vacate the premises. Perhaps a provision can be put into place that folks would have to notify or apply for assistance long before two months of not being able to pay rent. Oftentimes they already know what their financial situation is well in advance.

Robin Lee, Executive Director, Nevada State Apartment Association:

Our members supply just shy of 180,000 housing units in this state. They employ thousands of Nevadans, and they are certainly not in the business of kicking people out of their homes. They are in the business of keeping people housed. Eviction is always the last resort. Senate Bill 335 (1st Reprint) seeks to solve a problem, but it proposes to solve it in the wrong place and time. Using rental assistance programs to delay an eviction once it has reached the court is too late and it is backwards. Several of our members offer affordable housing options in the north and the south, and the state desperately needs more.

As a long-term solution, let us figure out how to get more affordable housing developed, and as a short-term solution, let us figure out how to work together to pool our resources, to bring awareness to Nevadans about the programs that are available to them as a preventative measure. We are not the enemy. We are an ally. We ask that if the time comes, you vote no on S.B. 335 (R1). I know you see a lot of people behind me in this room here in Las Vegas, and not all of them are going to speak. At this time, I would like to ask, if anyone agrees with my testimony behind me, if they would please stand [camera panned room in Las Vegas to acknowledge those standing], and I thank you very much for your time.

Chris Karsaz, Legal Counsel, Nevada State Apartment Association:

We represent many housing providers throughout the state. I am here to testify in opposition to S.B. 335 (R1) for three primary reasons [Exhibit L]. First, the bill delegates the Legislature's role of making policy to the Judiciary for the purpose of creating eviction diversion programs. It is extremely dangerous to do so as the Judiciary is supposed to be an impartial arbiter of disputes, not to craft policy and to be lobbied by stakeholders. We had to deal with this last year when, as a result of the Wells Fargo grant of money, the Las Vegas Justice Court developed an additional diversion program, the first draft of which substantially changed NRS Chapter 40. It was only due to our objection of due process and separation of powers that it was further amended and later adopted by the Nevada Supreme Court. The Judicial Code of Conduct requires judicial officers to avoid the perception of bias as it would erode public confidence in the institution. We should protect the Judiciary's role as an impartial arbiter of disputes and maintain this body, the Legislature's role, in creating policy. The public needs to have confidence that each branch of government is doing their role in our democracy.

Second, there is a great moral hazard with extending A.B. 486 of the 81st Session. We saw tremendous abuses in the last several years, and the brunt of it had to be borne by good housing providers and good tenants who ultimately pay the price. There were many people who checked the box because they were able to get a delay of many months. Checking the box to get free rent is not a way that we should craft policy. We definitely agree that the government should provide a social welfare net for those in need, but it should not be transferring the responsibility to private citizens. It has a chilling effect on housing providers, and we need them to solve our housing crisis.

And finally, I have a comment regarding the fiscal impact of this bill. I am not a political adviser or expert by any means, but my understanding is that there is no fiscal note, therefore consequence, of this bill and that is not true. There is a cost. We have attorneys and courts throughout. The delays that are being talked about by Mr. Norman and others are as a result of short staffing. They do not have the human power, and we are being asked as landlords to bear that cost. That is improper. We hope that you join in opposition to this bill.

Chair Miller:

Is there anyone else wishing to provide opposition testimony in Las Vegas? For all of you who did stand up, that will be put into the record that we have that visual of your opposition. Is there anyone on the phone wishing to provide opposition testimony? [There was no one.] Is there anyone in Carson City wishing to provide neutral testimony? Not seeing anyone, is there anyone in Las Vegas who would like to testify in neutral? Not seeing anyone, is there anyone on the phone wishing to provide neutral testimony? [There was no one.] I will close testimony and welcome the presenters back up for any final remarks.

[Ms. Susan Proffitt wished to provide neutral testimony but due to technical difficulties was unable to until after testimony was closed. Chair Miller indicated that it would be noted that she wished to provide neutral testimony to Senate Bill 335 (1st Reprint).]

Senator Ohrenschall:

Thank you for your patience with this lengthy hearing. I believe Senate Bill 335 (1st Reprint), as we have amended it over in the other house and proposed amendments today, really is a balanced approach that tries to protect tenants and protect landlords. I hope the Committee will consider moving it forward. I certainly am open to other ideas. We have had some other ideas suggested today, and with your permission, Chair, if Mr. Norman could also address some of the comments that were made.

Jonathan Norman:

One, I would just like to point out there was an article about declining rents. They declined by 1 percent after we saw historic rising rents. For that 1 percent, 200-degree baked potato, 1 percent difference is 198-degree baked potato. It is still too hot to eat. We have had rents go up at historic levels. There was a comment from Assemblywoman La Rue Hatch that 30 percent of homes were purchased by out-of-state landlords and a commenter had conflated that with 30 percent of the homes in the state are owned by corporate landlords, and therefore 70 percent are mom and pops. It is 30 percent of the homes purchased in the state have been purchased by out-of-state landlords in a given period of time is I think where that comes from.

I think there is a lot of trauma from landlords from the CHAP program and the extensions of time that were associated with that program. This program is narrowly tailored to fit, and the extension is very small. We are not going to have eight months. We have 60 days in the eviction diversion program. Mr. MacDonald stated that they are seeing those applications approved in a week or two weeks. We just are not going to have the same volume and we are not going to have the same extension of times. We have put in significant guardrails so that the tenant has to show they can pay the additional rent beyond what is provided in rental assistance. We have tried to strike that balance.

I wanted to make sure that everyone understands that justice courts may set up these programs; they do not have to set up these programs. This is permissive language that they "may" set up the programs.

The idea of eviction diversion programs being popular and a good idea—the Las Vegas Justice Court, when they applied for that state court grants, they had letters of support from many in the opposition today for the diversion court grant. I think in the testimony there were about 80 pages of opposition, and throughout it they said the court should not do this. We should wait until the legislative session for this body to act and create eviction diversion court. That is exactly what we are doing in this bill. I went back through those documents last night and I noted at least five to ten places where they specifically said the courts should not act, the Legislature should act on things like eviction diversion. That is why we are here with this bill. I think eviction diversion programs are vital to keeping people housed and making sure that state money goes the furthest and makes a difference for our community. Thank you for the time, and I appreciate this was a long hearing.

Chair Miller:

With that, I will close the hearing on Senate Bill 335 (1st Reprint). I will open it for public comment. [Public comment was heard.] We have floor so everyone knows where they need to be and what they need to do. The agenda with the work session items for tomorrow will be posted today, and we will have a number of items on work session tomorrow. I will see you back at 8 a.m. tomorrow. This meeting is adjourned [at 10:49 a.m.].

RESPECTFULLY SUBMITTED:

Traci Dory
Committee Secretary

APPROVED BY:

Assemblywoman Brittney Miller, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is the Work Session Document for [Senate Bill 38 \(1st Reprint\)](#), presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is the Work Session Document for [Senate Bill 61 \(2nd Reprint\)](#), presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit E](#) is the Work Session Document for [Senate Bill 129](#), presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit F](#) is the Work Session Document for [Senate Bill 243 \(2nd Reprint\)](#), presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit G](#) is the Work Session Document for [Senate Bill 309](#), presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit H](#) is the Work Session Document for [Senate Bill 321 \(1st Reprint\)](#), presented by Diane C. Thornton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit I](#) is a proposed amendment to [Senate Bill 417 \(1st Reprint\)](#), submitted and presented by Senator Melanie Scheible, Senate District No. 9.

[Exhibit J](#) is a proposed amendment to [Senate Bill 335 \(1st Reprint\)](#), submitted and presented by Jonathan Norman, Statewide Advocacy, Outreach, and Policy Director, Nevada Coalition of Legal Service Providers.

[Exhibit K](#) is a proposed amendment to [Senate Bill 335 \(1st Reprint\)](#), submitted and presented by Mendy K. Elliott, representing Southern Nevada Rural Housing Authority; Reno Housing Authority; and Rural Housing Authority.

[Exhibit L](#) is a letter dated May 17, 2023, submitted and presented by Chris Karsaz, Legal Counsel, Nevada State Apartment Association, in opposition to [Senate Bill 335 \(1st Reprint\)](#).