

MINUTES

ASSEMBLY JUDICIARY COMMITTEE  
February 23, 1977

Members Present: Chairman Barengo  
Assemblyman Hayes  
Assemblyman Banner  
Assemblyman Coulter  
Assemblyman Polish  
Assemblyman Price  
Assemblyman Ross  
Assemblyman Sena  
Assemblyman Wagner

Chairman Barengo called the meeting to order at 8:30 a.m. He explained this meeting would be concerned with the Fair Rental Housing Act and gave a few preliminary words of instructions and explanation. (A.B. 173)

Mr. Barengo explained that Assemblyman Vergiels had introduced this bill on behalf of the Commerce Department and therefore, the Commerce Department will be heard from first.

Mike Melner, Director, State of Nevada Department of Commerce, stated that in asking for this piece of legislation, in the State of the State message, the governor instructed the Commerce Department to come up with the most valid they could regarding this topic. As a short over-view of the purpose of this legislation, he said it was proposed to protect both tenant and landlord rights, as a balancing point for the protection of all the citizens of the state of Nevada. He commented that Nevada is a little more urban than most people would like to admit to. The state has a large number of tenants. Also, that in both north and south portions of the state, the legislators have a large constituency of tenant voters and they need to be protected. On the other hand, the interests of the landlords also, need to be protected against the vagaries of legal and court process. This bill is designed to address both problems. It provides for protection of property rights, while at the same time, it aims to protect tenant rights. He stated that there have been abuses on deposits and there have been abuses by absentee landlords and abuses by tenants in destruction of real property belonging to other people. He said that Shelley Levine of the Department of Commerce and Martin Wiener of the Consumer Affairs Division have both spent considerable time with representative on all sides of this issue in trying to come up with the best possible bill within the guidelines of the governor's instructions. He stated, in conclusion, that there have been amendments prepared to this bill and they would be introduced in later testimony. He then introduced Shelley Levine and Marin Wiener.

Martin Wiener explained to the committee that since the time the bill was originally drafted and introduced, the department had

prepared some eighty amendments, most of which are not substantive but make the bill more concise and well written. These amendments are attached and marked Exhibit A. The table of contents to these amendments is also attached and marked Exhibit B.

Shelley Levine addressed the committee, her prepared remarks are attached and marked Exhibit C. These remarks were simply an overview of the bill and other information pertaining to this issue.

Martin Wiener remarked as to the coverage of the act in Section 20, regarding rental agreements for tenant occupancy and the definition of a rental dwelling and which types of housing are excluded from the bill. Additionally, he stated, all rental agreements, for dwelling units subject to this act which are for a period of one month or longer, must be in writing. The objective of this is to settle disputes arising from lack of exact terms of the rental between the parties and keep this type of dispute out of the courts.

Shelley Levine stated that originally they had discussed the exclusion of landlords with eight units or less from the written agreement requirement. However, it was found after talking to a great number of tenants, that, indeed, many of the abuses which take place involve these landlords who have a limited number of rental units.

Mr. Wiener stated that if this act is passed, his department would work with the apartment association in the north and south and prepare a standardized lease form which would be available to the landlords free of charge. He said this would reduce greatly the opportunity for mistakes or oversights in preparation of these agreements. He stated there were only three major areas which should be covered under this new record keeping procedure. First, the rental agreement pointed out above. Secondly, is a detailed set of rules as to the refund of the security deposits. A great deal of litigations is now involved in this particular area. And, the only extra work involved here would be the itemized accounting to the tenant, within twenty-one days of vacancy, as to why any portion of the security deposit would not be refunded. Lastly, an inventory record should be filled out and signed before the tenant takes occupancy. This record would have to be itemized as to any damages which existed when the tenant took over and if there were no notations as to existing damage, good condition of inventory would be assumed.

Miss Levine interjected at this point that in reference to security deposits, this money belongs to the tenant and the landlord is only holding that money to protect himself from default in payment of rents or to remedy destruction to property or premises. And, if there is no default or destruction, the tenant is entitled to the refund of his money.

Mr. Wiener pointed out that in some cases the tenant moves out and does not leave a forwarding address. In this case the landlord need only to mail the refund to the last known address and if returned and not claimed for a six month period, the funds revert then back to the landlord and may be used for any other purpose.

This also requires that the landlord issue to the tenant a receipt for these funds which must be retained by the tenant until he receives his refund.

Also, included in this bill is a provision for the tenant to be supplied with the name and address of the owner, not manager, of the rental unit who would be ultimately accountable for his property.

Mr. Wiener next pointed out that over twenty-eight states have, by their courts or legislatures, what is termed a warrantee of habitability. This habitability term is defined in Section 33 and requires that a landlord provide healthy, safe and sanitary premises. Definition of healthy, safe and sanitary, of course, would be made in light of local building and health codes. If the landlord fails to provide these things to the tenant, the tenant has two alternatives. He can either terminate the lease and sue for any damages, or, as provided in Section 42, the tenant may, if the repairs can be made for less than \$100 (or one month's rent) go ahead and have the repairs made and deduct that cost from his rent for that month. Discussion on this area continued briefly. Miss Levine pointed out that the damage or repair to be made must affect the health and/or safety of the tenants. She stated she felt this would not encourage the tenants to make general repairs to the property as it would require an initial outlay of cash which most tenants don't have. Also, she said she has found in talking to the tenants that most of them are not eager to repair someone else's property.

In conclusion on this subject, Mr. Wiener said that what was important here was whether or not the committee felt there was an obligation existing with the landlord, to provide healthy, safe and sanitary housing, as is provided in more than 20 other states now. And, if this obligation does exist, how can this obligation be legislated.

Mr. Wiener briefly touched on the right of the tenant to sue if evicted unlawfully, the wrongful withholding of security deposits, the protection of people on fixed incomes (Social Security, Veteran's Benefits, etc.) from being evicted due to delays in receipt of the monthly benefit which is covered in sections 10 and 59, and eviction of a tenant due to his participation in any tenant organization or due to his complaints regarding problems on the premises when no contributing cause is brought out, such as rules violations, nonpayment of rents, etc.

He also covered section 64 which broadens the landlords coverage regarding summary proceedings for eviction of tenants.

A broad, general discussion of the areas touched on by Mr. Wiener followed. No explicit suggestions were made on these topics.

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Miss Levine, after the discussion, commented that there is little effective law now which covers the landlord-tenant relationship area. Also, she stated that she did not feel that passage of a piecemeal type of legislation now and more two, four or six years from now was the answer. She remarked that since a great deal of time has been devoted to this that a little more should probably be invested in order to complete and pass a good, fair, decent and comprehensive piece of legislation in this area because some problems do exist and they will become more acute in the future. She also said that dealing with these problems in a piecemeal way will end up with legislation that is clear to no one.

In conclusion Miss Levine pointed out that the job which had been undertaken was an extremely difficult one with many viewpoints and she felt a good compromise bill was nearer than it appeared to be.

Chairman Barengo stated he felt there was indeed a lot of time invested in this bill. However, the presentation could have been much better, he thought, due primarily to the great number of amendments which were entered today. He felt that after this period of time, the bill could have been in a more complete form.

Albert Cartlidge, Certified Public Accountant, Chairman of the Legislative Committee, registered lobbyist, landlord and member of the Northern Nevada Apartment Association was next to speak. He then introduced Mr. Clinton Wooster, attorney, and stated that Mr. Wooster had been engaged by the No. Nevada Apartment Assoc. to review AB 173 and draft amendments and summary which will be presented later. We contacted Mr. Landish of the Department of Commerce last June when he was first drafting this bill. He sent us a copy of the original draft in early October to which we replied to about fifty different provisions with our suggestions. Subsequently, we met with Miss Levine, the apartment associations, Nevada Association of Realtors, various local boards, the Consumer Affairs Division of the Washoe County District Attorney's office, the homebuilder's office, legislators, justices of the peace, managers of the Savings & Loan Assoc and the Reno Housing Authority to discuss the different aspects of this piece of legislation. We are here for our association, the realtors and the Las Vegas groups. We are submitting to you today the amendments suggested by the Northern Nevada Apartment Association, some of which we have not had a chance to review in their present form. The proposed amendments are attached and marked Exhibit D.

Mr. Wooster discussed with the committee some of the problems relating to evictions. He also pointed out that he felt in regard to section 70 that this section should be excluded from this bill. He stated this deals with not only marital status as it involves tenant/landlord situations but it also would be applied to non-tenant/landlord situations where it involved the purchase, lease, rental, sale, right to hold or convey real property. He stated he felt this possibly could be dealt with in a separate bill. He stated they would also propose deletion of the repeal of landlord lien proposals and the section which would delete that security lien. These were the major points he touched on.

Leonard Howard, Esq., City of Reno Housing Authority stated that there are five operating housing authorities in the state of Nevada. He then read from a letter from Mr. Santini to a Mrs. Berg which stated that the Housing Authority of the City of Las Vegas supports the inclusion of conventional low income housing in the Fair Rental Housing Act. Mr. Howard also passed out to the committee a proposed amendment to the bill and it is attached and marked Exhibit E. He commented that the proposed amendment would delete the conventional low rent housing, however, the Housing Authority would still be concerned with AB 173 because it would apply to other tenants as set forth in section 8 of the bill.

In summation Mr. Howard stated he basically questions whether a detailed act of this kind was necessary or whether certain questions and problem areas perhaps would better be addressed with separate legislation.

Mr. Jerome Scott of a Las Vegas tenant organization was next to testify and stated that their organization counselled many tenants regarding problems of housing habitability. He stated that he was here to present the tenants problems, not from a lawyer's viewpoint but from his own experience in this field. He then told of many code violations in some rental units in the Las Vegas area and the apparent plight of the tenant to have these problems rectified. He also, talked about unlawful eviction cases that he has handled. He stated that he sometimes goes to court two or three times per day, almost every day, on these evictions, and he has never lost one of these cases because not one of these cases was a legal eviction. Following these comments, there was a general discussion of the various problems of the tenants he represents, for instance the failure to return refundable cleaning deposits when the premises were left in a clean condition.

Marcus Cooper, Clark County Legal Services, was next to speak. He stated he felt it was an anachronism to apply the existing feudalistic property laws, which are 4-500 years old, to the modern urban situation. He stated that in his two years of legal service he has seen a great deal of mistreatment of the tenant by the landlord. He stated this mistreatment and abuse takes many various forms, such as taking and holding of tenant's property without prior notice or hearing or statement of grounds to do so. A brief discussion of his views in this respect followed.

Kathleen Fogarty, Washoe Legal Services, was next to speak. Mr. Barengo indicated to her that the committee would be going into session any moment and that, if she was interrupted, she could resume her testimony at 1:30 when they would be reassembling. She passed out a written statement which is attached and marked Exhibit F. She testified in support of the bill.

Mr. Mike Tuohy, representing himself as a property owner in Reno, Nevada, in addition to owning a couple of rental houses and some apartments. He stated that he has been interested in NRS 42.50 ever since he was "burned" by it a couple of times. He described for the committee what that process looks like in Reno and why, as this act reads now and has in the past, it is not the way it is implemented. He does not think that this bill is fair to the landlord at all. He pointed out to the committee that if you compare Section 50 and Section 41 and look at the tenants' rights and the landlords' rights, you could see how unfair this is. He mentioned that he believes that Section 10 is unworkable. He pointed out section 25, 1d, which states that in the rental agreement, he cannot limit his liability as the landlord, to the owner. He does not like this restriction. Mr. Tuohy also stated that he is confused with section 64 in that when an unlawful detainer starts and what the follow-up is, but, it does seem to have one series of times that define unlawful detainer and another section that seems to say differently.

Mr. Dick Farrell, a representative of some tenants at the Garden Hills Apartment Complex, Reno, Nevada, gave his opinion which deals with the landlord's responsibility when the landlord's actions make further tenancy impossible. He spoke of the return by the landlord of the security deposit to the tenant. In addition, he feels that proper notice, in the case of rent increases, should include a total of sixty (60) days, thirty (30) days in which a tenant may shop for other housing and thirty (30) days in which the landlord would have time to get his funds together to return the deposit to the tenant in order that he might secure other housing.

Mr. Rusty Nash, Washoe County District Attorney's Office, then testified at the request of Chairman Barengo inasmuch as he is one of the foremost authorities in this area. Mr. Nash started out wanting to mention his biases, that he is a landlord, he owns in partnership 24 rental units in Reno, Nevada. In addition, he stated he was the Legal Aid attorney in Reno for five (5) years and also was legal advisor to the Consumer Protection Division of the District Attorney's Office in Washoe County for the last two (2) years. In those capacities, he has seen the other side of the landlord/tenant question, i.e. the tenant. Mr. Nash stated that it seems hard to be against the concept of a bill such as this one which requires, basically, that rental premises be habitable. He said it was intriguing to see the first objection that the landlords had was to the name of the bill, i.e. The Fair Rental Housing Act and wanted to call it something else, in lieu of the amendments they were suggesting, and that might suggest what their amendments do to the bill. On behalf of the District Attorney's office, specifically in light of the fact that he has advised their local building department and health department, these agencies are concerned about the question of habitability. They are concerned because tenants are really their major source of cleaning out sub-standard housing in the community. This bill would take care of this problem. He pointed out that he doesn't think we are talking about the "ma and pa" operations as the big violators. Mr. Nash stated that Len Howard, Esq. in earlier testimony alluded to a judgment he had gotten for \$3500.00 from a landlord. He stated that when he was a legal services attorney, they had dozens of problems with the same landlord. At this point, Mr. Nash referred to

a few problems pointed out in earlier testimony. Regarding the problem of providing a written lease, Mr. Nash stated that currently Nevada law requires that any apartment that utilizes a written lease must, in fact, include the things that this bill is requiring. They must go through an inventory of the premises and there must be a statement of condition. (NRS 118.200) He stated that this is not a novel concept, rather, something that we have in the law today. It is not mandatory today that the landlord have a written lease, but, if an apartment uses them then they have to include the things that basically this bill requires. Another point that he felt was basic to this bill is that of habitability. There have been judicial determinations that a tenant is entitled to habitable premises. Certain courts around the country have said that it is an obligation of the landlord if he is going to rent a place, to at least make it safe and healthy. He stated that this has been termed an "attorneys bill", as a bill that will do nothing but generate legal fees for lots of money grabbing attorneys. Mr. Nash stated that the opposite conclusion could be reached as to the effect of this bill. If you have a good attorney now, you can go into Court and assert these defenses like habitability and can look at the law and find out what things are now required if there are written leases. He stated that what this law would do would obviate the necessity for attorneys in a lot of cases because things would be put down in black and white prior to the time that the agreement was reached. He mentioned the indirect effects on county and state government that result from the practices that exist now, referring to either lock-outs with no notice whatsoever, lock-outs with insufficient notice or evictions with insufficient notice or simply keeping certain deposits that the landlord has no legal right to keep. He found that these things are the sort of things that were "the final straw that broke the camel's back". The real fiscal impact of these actions is upon state and local governments. It seems to him that the people who are making the money in the business of renting the property should also bear these kinds of burdens rather than public at large and it is that public at large that is now bearing these burdens. There is another fiscal impact in that the current situation wastes a lot of time of attorneys, police, courts. Mr. Nash stated that if you have something down in black and white that spells out the rights and obligations of both landlords and tenants, he thinks you will take up less of the agencies' times that he mentioned. Regarding a question of Mrs. Hayes' of whether special benefits should be given to people who are on public assistance if their checks do not arrive on time. He said Mr. Wooster might have a valid point in his statement that that might not stand constitutional scrutiny. If you look at the case of the individual homeowner, you find a lot of protections built in which are not built into the rental situation. Regarding earlier comments as to the number of amendments seen on the bill and why didn't we perhaps propose the kind of legislation based on the model act that the Uniform Commission came up with. He said to look at the history of the last two sessions where the original bill which was introduced was very close to that uniform act. The amendments that have come in over the last two sessions have been the result of the landlords lobbying against any kind of a bill and the way they have done it is by dumping so many amendments on the legislators' desks that they cannot possibly get through all of them by the end of the session. As to the question of why we should abolish the landlords lien laws, it is a matter of public record that both the Federal District Court in southern Nevada, plus a District

Court in Reno both struck down those laws as unconstitutional. Again, a person who has the money to get an attorney and go to Court can easily get relief from these provisions now, but, it is the middle class person who cannot qualify for legal aid and can't quite afford to get an attorney who gets burdened by these statutes which have already been struck down as unconstitutional. Mr. Nash stated that we are looking at a couple of basic things, whether a person is entitled to habitable premises when he goes out into the rental market and another question as to whether or not he should be able to retain those premises assuming that he abides by reasonable rules, including the payment of rent.

Chairman Barengo stated that this committee has, at least, addressed the threshold question of whether we need some landlord/tenant laws because they did pass it out last session, however, he stated that he is concerned with having some workable, polished piece of legislation that will get to the Senate and not have the same problem they had last session.

Mr. Nash then read a proposal that he just briefly wrote down :

Section 1 - It is hereby declared to be the public policy of the state of Nevada that all people in the state are entitled to the opportunity to secure decent, safe and healthful rental housing and that they shall be secure in their right to continued, peaceful occupancy, as long as they abide by reasonable rules, including payment of a reasonable periodic rent which would be based upon the economic costs, rather than windfall economic opportunities occasioned by the short supply of decent housing.

He stated that he thinks the above sums up alot of what this legislation is all about, however, it says it very briefly and he stated that he feels it would occasion more litigation than the bill presently being considered.

All of the interested parties at this hearing decided on a mutually convenient meeting time and place to formulate all of their ideas on this piece of legislation. -

Mrs. Pearl Lee was next to testify on this bill as a landlord from Reno, Nevada. She agreed with what Mr. Nash stated in regard to the poor man who has the legal aid while the rich man can afford the lawyers and the middle man who is just trying to make a living, is paying the bills for both. Mrs. Lee stated that she is here to represent the landlord who lives on the premises, who observes what is going on, who rectifies these problems as they arise and generally, has a very good relationship with the tenants. She stated that they have no leases because neither one of them, tenant or landlord, want them. She touched on securities and cleaning deposits and the fact that she has no problems with these. Mrs. Lee stated in regard to Section 10, that this would break her. She detailed further for the committee her specific problems. In summary, she asked that the owner of 1 to 15 units be deleted from this red tape.

Mr. Robert M. Murphy, Jr., Vista Volunteer, assigned to work with



Washoe Legal Services, was next to testify on this bill. He stated that he is licensed to practice law under Supreme Court Ruling 49A in Nevada. He said that in his day-to-day workings with Legal Services, he comes across many landlord/tenant problems. His main concern is with the housing conditions in this state and the main part of the act, as he sees it, is section 33 which deals with the implied warranty of habitability. He explained to the committee the theory behind that and the necessity for it. In considering this bill, he stated that he thinks one other major question has not been considered today and that is what will the effect be on rent levels if legislation like this is adopted. This question was considered in a 1974 California Law Review article. He detailed further for the committee the contents of that article and they concluded that there is a positive, if not a statistically significant relationship between other habitability laws and rent levels. Their conclusion was with the warrant of habitability, as to whether or not rents will go up, depends on whether or not the tenants actually asserted this remedy. Is this type of legislation really going to hurt the people that it is designed to help, he asked. His answer to this question is with regard to the warrant of habitability, that it is up to the tenant to make the decision as to whether or not he wants to assert his remedy of rent withholding in Court and take the chance of the rents going up. He stated that this warrant of habitability has been adopted in 29 states already. Mr. Murphy stated that they have quite a few objections to the proposed landlords' amendments. Mr. Murphy asked that he be included in the subsequent study group. Upon questioning from Mr. Barengo, he stated that he has looked at the Oregon piece of legislation and that the only argument he would have with that bill would be that buildings that are certified for code when they are originally built, do not have to meet new code standards. He said he doesn't think that the warranty that Oregon has drawn up is much different from that of the Department of Commerce.

Mr. Clifford E. Mc Corkle, representing Northern Nevada Apartment Owners Association and Citizens for Private Enterprises, owning approximately 165 apartments in northern Nevada, was next to testify on this matter. He stated that he is probably a very good person to ask questions of regarding the economic business consequences of this bill as he owns a great number of low-income apartments which Legal Aid is constantly involved with. The question of habitability and the potential abuses by tenants concern him greatly because he has already seen this in his complex. He detailed this concern for the committee and advised them that the abuses by tenants could run rampant through the wording of this bill because there is no definition of "habitability". Mr. Mc Corkle stated in regard to the Oregon state law, that this is one of the amendments that the apartment owners have asked to be implemented into the agreement. It is very specific, referring to effective waterproofing, plumbing facilities which are in good conditions, a water supply which is under the control of the landlord, capable of producing hot and cold running water, sewage disposal system which is in good working order, heating facilities which conform to applicable law at the time of installation, building and grounds, etc. He stated he has no objection to this because it cannot be abused due to its specificity. He detailed for the committee some abuses by tenants of landlords as opposed to landlords vs. tenants. Mr. Mc Corkle stated that he is looking for a fairness that does not seem to be apparent in this kind of a bill. He said that we have enforcement agencies today, such as the building departments, who are very liberal in their interpretation of the law. They see a

situation which exists where tenants live in sub-standard conditions, but they also pay low rents and they understand the realities. Mr. Mc Corkle stated that if you "pin it down" and say the apartment must meet today's building codes, you are not going to see anymore low rents.

Mr. Peter Turchyn of Reno, Nevada was next to testify and a copy of his testimony is attached hereto and marked as Exhibit "G".

Mr. Fred Stocking, an attorney with Nevada Indian Legal Services, testified next on this bill, stating that in the course of his employment, he works with poor tenants in the Reno and Sparks area, defending evictions in the Justices' Courts. He stated that during the course of sitting in on these Justice Court cases, he has found that judges have a very difficult time understanding what their responsibilities and their powers are under the present landlord/tenant eviction procedures. They are not clear on what they can or cannot do. He feels that the judges would be able to work out the landlord/tenant problems in a fair way if they were given some guidance as to what powers they have. He further detailed for the committee his views on certain sections of the bill, i.e., section 27, section 29. There was some further questioning from the committee.

Mr. Irving Rappaport, representing the Nevada Apartment Association who have approximately 50,000 apartment units, was next to testify. He stated that they have a responsibility in management to provide proper housing, maintain this housing and respect the rights of our residents. The resident has responsibilities also, to pay his rent on time so that they can meet their obligations, respect our property and respect the rights of their fellow residents. He discussed the arithmetic of investment property. He summed it up by stating that A.B. 173 is detrimental to the viability of Apartment Industry. The rest of his testimony is taken from his letter of February 11, 1977, which is attached hereto and marked as Exhibit "H".

Chairman Barengo advised that the committee will await the report of the appropriate people assigned to study this. The meeting was adjourned at 4:20 p.m.

Respectfully submitted,

*Anne M. Peirce*

Anne M. Peirce

DEPARTMENT OF COMMERCE

PROPOSED AMENDMENTS TO AB 173

Brackets [] indicate deletions.  
Underlining indicates additions.

Page	Line	Section	Text of Amendment
2	22-23	8.2	"Dwelling does not include a <u>condominium unit, a cooperative apartment subject to a proprietary lease, or a single family house if the owner does not own more than three such condominium units, leases on cooperative apartments, or single family houses at any one time ...</u>
2	28-29	8.2(b)	<u>of more than three such condominium units, leases or cooperative apartments, or single family houses at any one time, and</u> (b) <u>the unit, apartment or house was rented without the the use in any manner of the rental ...</u>
2	33	9	transaction concerned. <u>(NEW SEC.) "Landlord" means the owner, lessor, sublessor or his agent, of a dwelling unit or the building of which a dwelling unit is a part.</u>
2	34-47	10	A tenant has a "lawful excuse" for: 1. <u>The nonpayment of rent or utility charges due the landlord [if]:</u> <i>if the landlord fails to comply with the rental agreement, or</i> (a) <u>After notice to the landlord, as permitted under the provisions of sections 41 or 42 of this act, if health and safety is affected by the landlord's failure to comply with [REDACTED] his obligation under section 33 to maintain the premises in a habitable condition, or he fails to repair substantial defects as required under section 42 of this act;</u> (b) <u>After notice to the landlord, as permitted under the provisions of section 44 of this act if the landlord fails to supply essential services, so that the premises become unfit for habitation;</u> (c) <u>As permitted under the provisions of section 46 if the premises are damaged or destroyed by fire or casualty.</u> 2. <u>A reasonable delay in the payment of rent or utility charges due the landlord if:</u> [1.] (a) <u>the tenant's principal source of income is provided by public assistance money not furnished as salary or wages for the performance of services, whether through Social Security or Veterans' Administration pensions or death benefits, Indian general assistance, State administered welfare assistance or otherwise.</u> [2.] (b) <u>the tenant has been certified by the appropriate government authority as entitled to receive such money on a periodic scheduled basis, and evidence of such certification has been delivered to the landlord;</u>

Page   Line   Section

[3.] (c) through no fault or negligence of the tenant, such money has not been received although the scheduled or customary date of such receipt has passed; [and]

[4.] (d) the tenant [would] establishes to the satisfaction of the court that he could have paid all past or current rent or utility charges owed the landlord had the money been received on the scheduled or customary date; and

(e) the requirements of section 59 have been satisfied.

3      26      17      "Rental agreement" means any oral agreement not required by section 24 of this act to be in writing, or any written agreement . . .

3      35      19      to occupy a dwelling unit to the exclusion of others.

3      36      20      SEC.20. 1. This chapter applies to. . .

3      39      20      covering a mobile home lot in a mobile home park subject to the provisions of NRS 118.230 to 118.290, inclusive.

2. The landlord is responsible for ensuring that rental agreements subject to section 24 of this act shall be in writing. The rights and remedies provided under this chapter shall be available to the tenant, but not the landlord, of a dwelling unit occupied under an oral rental agreement required to be in writing under the provisions of section 24 of this act.

5      16-17      25.1(c)      may provide that reasonable attorneys' fees may be awarded to the prevailing party in the event of court action;

5      21-23      25.1(e)      [Agrees to] Must give the landlord notice of termination of of the rental agreement [for a shorter period than] prior to the time at which the landlord is required to give such notice [under the rental agreement or this chapter].

5      25-26      25.2      instrument may not [permit the receipt of] provide that the landlord may receive rent free of his obligations under [this chapter respecting the habitability of dwelling units] section 33 of this act to maintain dwelling units in a habitable condition.

5      31      26      Rental agreements required to be in writing by the provisions of section 24 of this act shall be effective, although signed by only one party, under the following conditions:  
1. If the landlord...

5      33      26.1      [without reservation] by the landlord without objection to the terms of the agreement gives the rental agreement the same

5      37      26.2      payment of rent [without reservation] by the tenant without objection to the terms of the agreement gives the rental agreement the same

5      42-44      26.4      Delete subsection 4.

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- 6 1 27.1 (c) [Securing the execution of a rental agreement if the payment, fee or charge exceeds the rental value of the premises for the period from the date it is paid until the date the tenant is entitled to occupancy.] Removing excessive accumulations of garbage and waste materials.
- 6 15- 27.2(b)(4) Delete entire subparagraph (4).  
17
- 6 29 27.4 personally, or [upon the tenant's request,] by mailing it to him...
- 6 31 27.4 then at the tenant's last-known address. If attempted delivery as required by this section is unsuccessful, and the tenant does not provide alternate means of delivery within 6 months after the termination of the tenancy, the landlord's obligations under this section shall cease and terminate thereafter.
- 6 48 27.7 [both actual and punitive damages] repayment of the money owed to the tenant together with damages in an amount equal to three times the amount wrongfully withheld [together with] and reasonable attorney's fees.
- 7 1 27.8 Any security under this section as nonrefundable, except as permitted under subsection 2, or any provision waiving...
- 6-8 28 fees, including rent, paid by the tenant and received by the landlord. [Any payment by the tenant in any manner is conditioned upon deliver of the requested receipt.] The tenant may refuse to make any payment until the landlord tenders to him the requested receipt for that payment.
- 7 10 29.1 of possession, [or as soon thereafter as possible,]...
- 7 12- 29.1 premises under the exclusive custody and control of the tenant. [Unless the landlord and the tenant agree in a separate writing to waive the requirements of this section, a] A written record containing the inventory...
- 7 17 29.1 is responsible for the premises in the condition described in the record, subject to the landlord's obligations under section 33 of this act,
- 7 19- 29.2 Delete subsection 2.  
22
- 7 23- 29.3 Delete subsection 3.  
26
- 7 27 29.4 4. In the absence of a written inventory record signed by the tenant, [Damages] damages to and other faulty conditions in the premises shall be presumed to have existed at the commencement of the tenancy [unless otherwise stated in the written inventory record].
- 7 38 30.1(a)(3) the principal or corporate owner, or, alternatively, if [unless] the name and address...

Ln  
Pg No. Sec

- 7 40 30.1(a)(3) are located, [in which case] the landlord shall inform the tenant in writing...
- 8 32- 33.3  
34 the landlord may not [treat] condition his performance of any obligation under the rental agreement or this chapter on performance by the tenant of the separate agreement described in subsection 2 [as a condition to any obligation or performance of any rental agreement].
- 8 20 33.1 tain the dwelling unit and premises in a habitable condition.  
A dwelling unit and premises is . . .
- 8 36- 33.4  
37 1 and 2 [by any transfer of rents to another in an assignment, conveyance, trust deed or security agreement.] other than by transfer to another of all his legal and equitable title to the dwelling unit.
- 9 5 37.1 and safe as the condition of the premises permit, and shall not diminish the habitability of the premises;...
- 9 38 38 not given 60 days advance written notice of it in the case of a year-to-year tenancy, or 30 days in the case of a tenancy for a shorter period.
- 11 3 41.2 2. the tenant may not terminate for a condition caused by other than normal usage of the premises by, or the deliberate...
- 11 7 41.3 prepaid rent covering future occupancy, unused fees...
- 11 15 41 conditions are corrected.  
5. Rights of the tenant under this section do not arise until he has given notice to the landlord as required under subsection 1.
- 11 18 42.1 habitable condition so that health or safety is affected, or fails to repair substantial defects in heating, hot...
- 11 24 42.1 notify the landlord in writing of the tenant's intention...
- 11 26 42.1 within [the time it would take a diligent person to repair, not to exceed] 14 days...
- 11 35- 42.2  
37 by a named person or firm or class of persons or firms, who is [reasonably] professionally qualified to do the work, and the tenant shall [make reasonable] use his best efforts to comply with the specification.
- 11 39 42.3 was caused by other than normal usage of the premises by, or the deliberate or negligent act or omission of the tenant
- 11 44 42 within any 12-month period.  
5. Rights of the tenant under this section do not arise until he has given notice to the landlord as required under subsection 1.
- 12 2 43.1 to secure the execution of the rental agreement; or
- 12 17 44.1 the tenant [may] shall give written notice to the landlord

Ln  
Pg No. Sec

- 12 21 44 may, in addition to any other relief to which he is entitled by law:
- 12 24- 44.1  
27 cost from the rent; and  
(b) Recover [actual damages, including] damages based upon the lack of use of the premises or the diminution of the fair rental value of the dwelling unit for any time during which the services were lacking; or, instead of proceeding under (a) and (b), the tenant may
- 12 36 44.2 under section 41 or 42 of this act as to that breach.
- 12 38 44.3 has given written or actual notice to the landlord. If the condition was caused by other than normal usage of the premises by, or the...
- 12 47- 45  
49 of this act or terminate the rental agreement, and in each case, in addition to any other remedy to which he is entitled recover [actual] damages [, punitive damages in an amount no greater than \$25] in an amount equal to three times the actual damages sustained by him, plus reasonable attorney's fees. If the rental agreement is terminated the...
- 13 5 46.1 unit is substantially impaired, the tenant may, in addition to any other remedies to which he is entitled:
- 13 7 46.1(a) [14] 7 days thereafter of his intention to terminate the rental agreement, in...
- 13 13- 46.1(c)  
15 Delete subparagraph (c).
- 13 19 46.2 occupancy shall be made as of the date [of the casualty] the premises are vacated.
- 13 26 47 attorney's fees, or \$25 [\$100], whichever is greater.
- 13 50 50  
-to- Efforts to comply within [the time it would take a diligent person to comply, not to exceed] 14 days after written  
14 1 notice by the landlord specifying...
- 14 27- 53  
29 the landlord may dispose of personal property [abandoned] left unattended on the premises by a former tenant who has abandoned the dwelling unit or who has been lawfully ousted from possession, without incurring civil or criminal liability in the following manner:
- 14 31 53.1 for a period of 30 days following the abandonment, the termination of the rental agreement...
- 14 33 53.1 and actual inventorying, moving and storage costs before releasing the property to the tenant...
- 14 47 54 nation, the landlord may bring an action for possession and for rent and if the tenant's...

Page	Line	Section	
15	8-9	55	landlord's right to terminate the rental agreement for that <u>particular breach unless otherwise agreed after the breach has occurred, but shall not waive any rights or remedies arising as a result of breaches that may occur in the future.</u>
15	18-20	56	2. When the tenant has <u>quit the premises and surrendered [possession of] his interest in the dwelling unit to the landlord.</u>
			3. When the tenant has abandoned the dwelling unit <u>as defined in section 52 of this act.</u>
15	22	57.1	under the provisions of this chapter, <u>unless the provisions of NRS 40.253 permit otherwise,</u> the party applying for possession shall
15	30	57.2	2. The landlord is entitled to the summary procedure provided in NRS 40.253, <u>subject to the provisions of section 64 and 65 of this act.</u>
15	32-41	57.3	Delete subsection 3
15	42-44	57.4	Delete subsection 4
15	45-48	58.1	1. The abatement or withholding of rent or the nonpayment or <u>delay in payment of rent with lawful excuse [as provided in] if permitted under this chapter [does not constitute a default in payment of rent for purposes of] is a defense to any action based on nonpayment of rent.</u>
16	5	59	In any action in which a tenant asserts lawful excuse, <u>under the provisions of section 10.2 of this act, for the [nonpayment] delay in payment of rent or utility charges due the landlord, the court shall</u>
16	42	61.1	(f) rental agreement, <u>thereby requiring the landlord, under section 38 of this act, to wait until 30 or 60 days have elapsed for the rule or regulation to become enforceable against the tenant.</u>
16	46	61.3	termination of a tenancy, except with cause <u>as defined in section 6 of this act, within 6 months</u>
17	5	61.4	(b) the tenant [ is in default in rent without lawful excuse] <u>has provided cause, as defined in section 6 of this act, for the landlord's action; or</u>
17	15-16	62.1	goods created in favor of the landlord to assure payment of rent <u>is unenforceable unless created pursuant to a lawful order of the court after notice and the opportunity for a hearing.</u>
17	23	63	or amendment had not occurred. [For purposes of this section, <u>tenancies from month to month shall be considered to be renewed each month.</u> ]



18 3 64

7(III) Subject to the provisions of section 49 of this act, a [A] notice of 5 days where the tenant has failed to perform his basic obligations under [sections 2 to 63, inclusive] section 37 of this act.

18 40-46 64

procedures provided in NRS 40.253 [except that] under the following conditions:

(a) Written notice to surrender the premises shall [:(1)] be given to the tenant in good faith and in accordance with the provisions of subsection 1 of this section and sections 2 to 63 inclusive, of this act [;and].

[(2) Advise] (b) Written notice to the tenant under subsection 1 to surrender the premises shall advise the tenant of his right to contest such notice by filing with the justice of the peace an affidavit that he will not be guilty of an unlawful detainer if he fails to quit the premises, and that the affidavit must be filed before the specified time for him to quit the premises. No further notice under NRS 40.253.1 is thereafter required. No action may be taken under NRS 40.253.2 if, within the notice period required under subsection 1 of this section, the tenant files an affidavit as provided in this subparagraph 3(b), and further proceedings for the removal of the tenant shall be governed by NRS 40.290 to 40.420, inclusive.

(c) In the absence of notice in the form required under subparagraph 3 (b), when the tenant becomes guilty of an unlawful detainer the landlord shall serve written notice requiring the surrender of the premises and advising the tenant of his right to contest the notice by filing within 5 days an affidavit with the justice of the peace that he is not guilty of an unlawful detainer. No action may be taken under NRS 40.253.2 if, within 5 days after service of the notice, the tenant files an affidavit as provided in this subparagraph 3(c), and further proceedings for the removal of the tenant shall be governed by NRS 40.290 to 40.420, inclusive.

18 47 64  
-to-  
19 3

[(b)] (d) The affidavit of the landlord or his agent submitted to the justice of the peace shall contain in addition to any other information required by law:

- (1) The date the tenancy or the rental agreement was allegedly terminated.
- (2) A statement that the notice to surrender the premises was given to the tenant in good faith and was authorized by law.
- (3) The date the tenancy commenced.
- (4) The term of the tenancy, whether week to week, month to month, year to year, or otherwise.
- (5) The date the tenant became guilty of an unlawful detainer.
- (6) The facts establishing that the tenant's conduct constituted an unlawful detainer.
- (7) The date of service of any written notice required under this section.
- (8) The facts establishing that the written notice was served on the tenant in accordance with NRS 40.280.
- (9) A copy of the written notice served on the tenant.
- (10) A copy of the signed written rental agreement, if any.

Page Line Section

19 4-6 64 [(c)No action may be taken under NRS 40.253 if within 5 days after service of the notice, the tenant files an affidavit as provided in paragraph (a) of this subsection.]

19 18 64 default in the payment of such rent. The tenant shall affix to such affidavit any documentary evidence of lawful excuse or other defense to the proceeding.

20 20-21 67 111.210 1. Every contract, [except] including an agreement subject to section 24 of this act

20 7-9 66 111.205 1. No estate or interest in lands, other than for leases not subject to section 24 of this act for a term not exceeding 1 year, [and agreements not subject to section 24 of this act] ...

20 44 69 the provisions of NRS 118.010 to 118.130, inclusive, and 118.180 ...

21 27-28 72 NRS 108.510, 108.520, 108.530, 118.140, 118.150, <sup>118.170,</sup> and [118.140] 118.190 to 118.220, [REDACTED] inclusive, are hereby repealed.

--NEW SECTIONS

NRS, 118.160 and 118.180 shall be made a part of the Fair Rental Housing Act. The texts are as follows:

"NRS 118.160 (1.)It is unlawful for a landlord to exclude or attempt to exclude a tenant from a dwelling unit in any manner other than that provided in NRS 40.215 to 40.420, inclusive,

2. Whoever violates the provisions of subsection 1 is guilty of a misdemeanor."

"NRS 118.180 The legislature finds and declares that the apartment rental business, including the contractual relationship between the landlord and the tenant, affects the public interest of this state."

FAIR RENTAL HOUSING ACT

TABLE OF CONTENTS

Section: 2. Short Title.

DEFINITIONS

3. Definitions.
4. "Action" defined.
5. "Building, housing and health codes" defined.
6. "Cause" defined.
7. "Court" defined.
8. "Dwelling" or "dwelling unit" defined. (currently NRS 118.060)
9. "Good faith" defined.
- Proposed Section "Landlord" defined. (currently NRS 118.150.3)
10. "Lawful excuse" defined. (read with Sec. 59)
11. "Normal wear" defined.
12. "Organization" defined.
13. "Owner" defined.
14. "Person" defined.
15. "Premises" defined.
16. "Rent" defined.
17. "Rental agreement" defined.
18. "Single-family" house defined.
19. "Tenant" defined.

GENERAL PROVISIONS

20. Applicability of chapter.
21. Exclusions from application of chapter.
22. Notice.
23. Unconscionable provisions.
24. Rental agreements: Requirement of writing; required provisions. (Substantially current NRS 118.200)
25. Rental agreements: Prohibited provisions.
26. Rental agreements: Effect when signed and delivered by only one party.

OBLIGATIONS

Landlord Obligations

27. Security deposits
28. Receipts for payments.
29. Inventory record of condition of premises.
30. Disclosure of information concerning landlord, owner, manager of premises.
31. Alternative method of such disclosure.
32. Delivery of possession of premises.
33. Habitability of dwelling unit.
34. Advance notice of rent increase. (currently NRS 118.140.1)

35. Disclosure of reasons for rent increase, other changes in terms of tenancy.
36. Limitation of liability upon notice of change of ownership or management.

#### Tenant Obligations

37. Basic obligations.
38. Rules and regulations.
39. Access to dwelling unit.

#### REMEDIES

#### Tenant Remedies

40. Elderly, low-income tenants: right to terminate (currently NRS 118.220)
41. Noncompliance by landlord: affecting health or safety.
42. Noncompliance by landlord: tenant may repair premises.
43. Failure to deliver possession.
44. Failure to supply essential services: premises unfit for habitation.
45. Removal, exclusion of tenant; wilful interruption of essential services. (incorporates current NRS 40.170)
46. Fire and other casualty.
47. Failure to disclose.

#### Landlord Remedies

48. Noncompliance by tenant: generally.
49. Noncompliance by tenant affecting health or safety.
50. Noncompliance by tenant: Remedial work chargeable to tenant.
51. Abandonment of dwelling unit.
52. When abandonment presumed.
53. Disposal of abandoned property of former tenant.
54. Holding over by tenant.
55. Waiver of landlord's right to terminate rental agreement.
56. Recovery of possession.
57. Actions for possession: Procedure.
58. Actions based on nonpayment of rent: defenses and counter-claims.
59. Limited defense: Lawful excuse of late public assistance payment.
60. Tenant refusal of access: Landlord abuse of access.
61. Retaliatory conduct prohibited.
62. Limitations on landlord liens.

#### AMENDMENTS TO NRS AND TECHNICAL PROVISIONS

63. Savings provision
64. NRS 40.250: Unlawful detainer; landlord remedies.

65. NRS 40.253: Summary eviction for nonpayment of rent.
66. NRS 111.205: Agreements covering land must be written.
67. NRS 111.210: contracts void if not in writing.
68. Chapter 118: New section covering guide dogs.
69. Section 68 of this Act included in Nevada Fair Housing Law.
70. NRS 118.100: Anti-discrimination section covering housing.
71. NRS 481.048: Motor vehicle enforcement.
72. Repealer section.

## EXHIBIT C

### 1 HISTORY

Variations of this bill have been introduced in several past legislative sessions. Tenant oriented

We have attempted to write a comprehensive piece of legislation which addresses itself to the needs & problems of both the landlords & the tenants. We have met with several groups representative of both landlords & tenants, and both the North & the South. Then we met with several legislators in an attempt to present the bill to them, as well as get feedback which we eventually incorporated. We in ~~the~~ Dept. of Commerce considered ourselves conduits. Our aim was to write a fair & just piece of legislation. We believe we have done this.

reason the bill is so encompassing - our philosophy in writing this comprehensive bill is that the legislature should ~~legislate~~ legislate. The ~~less definite~~ the more vague the legislation, the greater the intrusion by the judiciary. Without a clear manifestation of intent by the legislature, the judiciary tends to interpret & thereby alter the original meaning of the laws passed by the legislature.

reason the bill is so long - we have attempted to accommodate all interested parties. We

EXHIBIT C

molded the uniform act to meet the particular needs of Nevada.

2 NEED - Why pass such legislation?

A) we are legislating for the future. Presently, 61% of the population of Nevada live in single family dwellings, which is the preferred mode of living.

Washoe Co  
between 1965-1969  
86% of all residential construction was single family dwellings. But between 1970-1975 construction of single family dwellings declined 45% + construction of apartments has increased 10 fold in the past 5 yrs.

← However, building costs are rising a phenomenal 22% per year. The result of soaring building costs is that in a very few years, many families who would ordinarily purchase a single family dwelling will become renters and multi-unit dwellings.

The state of Nevada has a responsibility to its citizens to pass a law which sets of the rights, duties & obligations of both the landlord & the tenant.

Presently, 18.1% of the population of Clark Co live in multi-unit dwellings. This represents a substantial number of people. For the past 5 months we have heard horror stories from both landlords & tenants. The reason for these horror stories is that neither side is protected from potential abuses of the other. The state of Nevada needs a good, fair, comprehensive body of laws to deal with the problems that presently exist.

The landlords we met with are marvelous. This bill will probably have little effect on their operations. Clearly 99% of those we spoke with said they presently complied with all of the provisions of this act. A good landlord or a good tenant has nothing to fear. This bill is designed to protect the good tenant from the unscrupulous landlord, & the good landlord from the unscrupulous tenant.

### 3. EXPERIENCES IN OTHER STATES WITH SIMILAR LEGISLATION

Presently, 27 states have either passed or have pending legislation similar to AB 173.

According to the feedback that we have received from these states, the impact of this legislation has been positive.

The amount of landlord/tenant cases which have gone to court has decreased significantly since its enactment & the cases which have gone to court have been <sup>more</sup> complex. This is ~~precisely what we~~ <sup>precisely what we</sup> ~~would~~ <sup>would</sup> encourage. The provisions of the act are designed to lessen the burden on the courts whose time is often wasted on ~~such~~ cases in which



The amount in issue is often under \$100.00, & thereby enabled the courts to concentrate on more ~~important~~ ~~costly~~ challenging & complex cases.

(We then began to discuss the substantive provisions of the act)

Shelley Levine

Note: For convenience, amendments to sections are numbered (1) through (41).

AMENDMENTS TO A.B. 173

PROPOSED BY

NORTHERN NEVADA APARTMENT ASSOCIATION

- Title (1) Amend the title of the bill by deleting on the third and fourth lines "repealing certain statutory liens of landlords of rental housing;"
- Sec. 2 (2) Amend Section 2, page 1, line 12, to delete "Fair Rental Housing Act." and insert "Landlord and Tenant Act."
- Add after Sec. 2 (3) Amend the bill as a whole by adding new sections designated as Sections 3, 4, 5 and 6, following Section 2, to read as follows:

"Sec. 3. 1. This Act shall be liberally construed and applied to promote its underlying purposes and policies.

2. The underlying purposes and policies of this Act are:

(a) to simplify, clarify, modernize and revise the law governing the rental of dwelling units and the rights and obligations of landlords and tenants; and

(b) to encourage landlords and tenants to maintain and improve the quality of housing."

"Sec. 4. Unless displaced by the provisions of this Act, the principles of law and equity, including the law relating to capacity to contract, mutuality of obligations, principal and agent, real property, public health, safety and fire prevention, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy or other validating cause supplement its provisions,"

"Sec. 5. 1. The remedies provided by this Act shall be so administered that an aggrieved party may recover appropriate damages. The aggrieved party has a duty to mitigate damages.

2. Any right or obligation declared by this Act is enforceable by action unless the provision declaring it specifies a different and limited effect.

"Sec. 6. A claim or right arising under this Act or on a rental agreement, if disputed in good faith, may be settled by agreement."

Sec. 6

- (4) Amend Section 6, page 2 by deleting line 5 and inserting:  
"1. Nonpayment of rent."

Amend Section 6, page 2, line 6 to delete "without lawful excuse"

Sec. 8

- (5) Amend Section 8, page 2 by deleting lines 23 through 31 and inserting "does not own more than six such single-family homes at any one time."

Sec. 10

- (6) Amend Section 10, page 2 by deleting lines 34 through 47 and inserting:

"Sec. 10. "Landlord" means the owner, lessor, or sublessor of the dwelling unit or the building of which it is a part, and it also means a manager of the premises who fails to disclose as required by Sections 30 or 31 of this Act."

Sec. 16

- (7) Amend Section 16, page 3 by deleting lines 20 through 25 and inserting:

"Sec. 10. "Rent" means all payments to be made to the landlord under the rental agreement."

Sec. 19

- (8) Amend Section 19, page 3 by deleting line 35 and inserting "to occupy a dwelling unit to the exclusion of others."

Sec. 24

- (9) Amend Section 24, page 4 by deleting lines 38 through 49 and page 5 by deleting lines 1 through 9 and inserting:

"Sec. 24. 1. A landlord and a tenant may include in a rental agreement terms and conditions not prohibited by this Act or other rule of law, including rent, term of the agreement, and other provisions governing the rights and obligations of the parties.

2. In absence of agreement, the tenant shall pay as rent the fair rental value for the use and occupancy of the dwelling unit.

3. Rent is payable without demand or notice at the the time and place agreed upon by the parties.

Unless otherwise agreed, rent is payable at the dwelling unit and periodic rent is payable at the beginning of any term of one month or less and otherwise in equal monthly installments at the beginning of each month. Unless otherwise agreed, rent is uniformly apportionable from day-to-day.

4. Unless the rental agreement fixes a definite term, the tenancy is week-to-week in case of a tenant who pays weekly rent, and in all other cases month-to-month.

Sec. 26

- (10) Amend Section 26, page 5 by deleting lines 31 through 44 and inserting:

"Sec. 26. 1. If the tenant does not sign and deliver a written rental agreement signed and delivered to him by the landlord, acceptance of possession and payment of rent without reservation gives the rental agreement the same effect as if it had been signed and delivered by the tenant.  
2. A rental agreement given effect by operation of Subsection 1 is effective for no longer than 1 year notwithstanding any provision of the agreement to the contrary.  
3. A landlord or a tenant is entitled to the rights and remedies provided him under this Act even though the rental agreement is not in writing and signed by the parties as provided by this Act."

Sec. 27

- (11) Amend Section 27, page 6 by inserting between lines 3 and 4:

"(d) Costs of necessary cleaning."

Amend Section 27, page 6 by deleting lines 4 through 17 and inserting:

"2. "Security" does not include any payment, deposit or fee to secure an option to purchase the premises."

Amend Section 27, page 6, line 23, delete "and" and insert a comma.

Amend Section 27, page 6 by deleting lines 25 through 26 and inserting:

"wear and to pay the costs of necessary cleaning. The landlord shall provide the tenant with an itemized written accounting of the disposition of the security"

Amend Section 27, page 6 by deleting line 29 and inserting:

"personally at place of payment of rent or by mailing it to him at his pres-"

Amend Section 27, page 6, line 48 by deleting "both actual and punitive" and inserting "actual".

Sec. 28

- (12) Amend Section 28, page 7 by deleting lines 6 through 8 and inserting:

"fees, including rent, paid by the tenant and received by the landlord."

Sec. 29

- (13) Amend Section 29, page 7 by deleting lines 9 through 29 and inserting:  
"Sec. 29. (Deleted by amendment.)"

Sec. 30

- (14) Amend Section 30, page 7 by deleting line 33 and inserting:  
"(a) The name, address and telephone number of:"  
  
Amend Section 30, page 7 by deleting lines 38 through 44.

Sec. 32

- (15) Amend Section 32, page 8 by deleting line 18 and inserting:  
"rental agreement and the provisions of Section 33."

Sec. 33

- (16) Amend Section 33, page 8 by deleting lines 19 through 31 and inserting:  
"Sec. 33. 1. A landlord shall at all times during the tenancy maintain the dwelling unit in a habitable condition. For purposes of this section, a dwelling unit shall be considered uninhabitable if it substantially lacks:

"(a) Effective waterproofing and weather protection of roof and exterior walls, including windows and doors;

"(b) Plumbing facilities which conform to applicable law in effect at the time of installation, and maintained in good working order;

"(c) A water supply approved under applicable law, which is:

(1) under the control of the tenant or landlord and is capable of producing hot and cold running water;

(2) furnished to appropriate fixtures; and

(3) connected to a sewage disposal system approved under applicable law and maintained in good working order to the extent that the system can be controlled by the landlord;

"(d) Adequate heating facilities which conform to applicable law at the time of installation and maintained in good working order;

- "(e) Electrical lighting with wiring and electrical equipment which conform to applicable law at the time of installation and maintained in good working order;
- "(f) Building, grounds and appurtenances at the time of the commencement of the rental agreement in every part clean, sanitary and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin, and all areas under control of the landlord kept in every part clean, sanitary and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin;
- "(g) An adequate number of appropriate receptacles for garbage and rubbish in clean condition and good repair at the time of the commencement of the lease or rental agreement, and the landlord shall provide and maintain appropriate serviceable receptacles thereafter and arrange for their removal unless the parties by agreement provide otherwise;
- "(h) Floors, walls, ceilings, stairways and railings maintained in good repair;
- "(i) Ventilating, air conditioning and other facilities and appliances, including elevators, maintained in good repair or supplied or required to be supplied by the landlord; or
- "(j) Safety from the hazards of fire.

"2. The landlord and tenant may agree that the tenant is to perform specified repairs, maintenance tasks and minor remodeling only if:

- "(a) The agreement of the parties is entered into in good faith and not for the purpose of evading the obligations of the landlord;
- "(b) The agreement does not diminish the obligations of the landlord to other tenants in the premises; and
- "(c) The terms and conditions of the agreement are clearly and fairly disclosed and adequate consideration for the agreement is specifically stated."

Amend Section 33, page 8, line 37 by deleting "conveyance,"

Sec. 35

- (17) Amend Section 35, page 8 by deleting lines 41 through 43 and inserting:  
"Sec. 35. (Deleted by amendment)."

Sec. 36

- (18) Amend Section 36, page 8 by deleting lines 48 through 49 and inserting:  
"unit subject to the rental agreement."

Sec. 38

- (19) Amend Section 38, page 9 by deleting line 34 and inserting:  
"into the rental agreement or after it is adopted  
in accordance with this Section."

Amend Section 38, page 9, line 38 by deleting "60" and  
inserting "30"

Sec. 41

- (20) Amend Section 41, page 10 by deleting lines 48 through 49  
and inserting:

"(b) Recover actual damages and obtain injunctive  
relief for the breach. If the landlord's breach  
is willful the tenant may recover reasonable  
attorney's fees."

Amend Section 41, page 11 by deleting lines 9 through 15.

Sec. 42

- (21) Amend Section 42, page 11 by deleting line 26 and  
inserting "within 14"

Amend Section 42, page 11 by deleting lines 35 through 36  
and inserting:

"by a named person or firm or class of persons or  
firms qualified to do the work, and the tenant must"

Sec. 43

- (22) Amend Section 43, page 11 by deleting line 47 and  
inserting:

"is delivered as required, and the tenant may if  
the landlord willfully fails to deliver possession:"

Amend Section 43, page 12, line 2 by adding after ";"  
the word "or"

Amend Section 43, page 12 by deleting lines 10 through 13  
and inserting "landlord is not liable for damages."

Sec. 44

- (23) Amend Section 44, page 12 by deleting line 14 and  
inserting:

"Sec. 44. 1. If the landlord willfully or  
negligently fails to supply heat, running water,  
hot"

Amend Section 44, page 12, line 24 by adding after ";"  
the word "or"

Amend Section 44, page 12 by deleting lines 30 through 32  
and inserting "during this period."

Amend Section 44, page 12, line 36 by inserting after "41"  
the following "or Section 42"

- Sec. 45 (24) Amend Section 45, page 12 by deleting line 48 and inserting "actual damages"
- Sec. 46 (25) Amend Section 46, page 13 by deleting lines 13 through 15.
- Sec. 47 (26) Amend Section 47, page 13, line 26 by deleting "\$100," and inserting "\$25,"
- Sec. 52 (27) Amend Section 52, page 14 by deleting lines 21 and 22 and inserting:  
"Sec. 52. For purposes of this chapter, in the absence of notice of the fact of abandonment as defined by Section 22, it is presumed that the tenant has abandoned a"
- Sec. 53 (28) Amend Section 53, page 14 by deleting line 27 and inserting:  
"Sec. 53. In addition to the remedies provided by NRS 108.510 through 108.530, the landlord may dispose of personal property abandoned"  
  
Amend Section 53, page 14 by deleting line 33 and inserting:  
"moving, inventorying and storage costs before releasing the property to the tenant or his authorized"
- Sec. 54 (29) Amend Section 54, page 14 by deleting line 47 and inserting:  
"nation, the landlord may bring an action for possession and for rent. If the tenant's"
- Sec. 55 (30) Amend Section 55, page 15 by deleting lines 5 through 9 and inserting:  
"Sec. 55. (Deleted by amendment.)"
- Sec. 57 (31) Amend Section 57, page 15 by deleting lines 21 through 44 and inserting:  
"Sec. 57. (Deleted by amendment.)"
- Sec. 58 (32) Amend Section 58, page 15 by deleting lines 45 through 50 and page 16 by deleting lines 1 through 4 and inserting:  
"Sec. 58. 1. In an action for possession based upon nonpayment of the rent or in an action for rent when the tenant is in possession, the tenant may counterclaim for any amount he may recover under the rental agreement or this Act. In that event the court from time to time may order the tenant to pay into court all or part of the rent accrued and thereafter accruing, and shall determine the amount due to each party. The party to whom a net amount is owed shall be paid first from the money paid into



court, and the balance by the other party. If no rent remains due after application of this section, judgment shall be entered for the tenant in the action for possession. If the defense or counterclaim by the tenant is without merit and is not raised in good faith, the landlord may recover reasonable attorney's fees.

2. In an action for rent when the tenant is not in possession, he may counterclaim as provided in subsection 1 but is not required to pay any rent into court.

- Sec. 59 (33) Amend Section 59, page 16 by deleting lines 5 through 11 and inserting:  
"Sec. 59. (Deleted by amendment.)"
- Sec. 61 (34) Amend Section 61, page 16 by deleting lines 40 through 42.  
Amend Section 61, page 17, line 5 by deleting "without lawful excuse"  
Amend Section 61, page 17, by deleting line 9 and inserting:  
"is vacant; or  
(d) The tenant has breached his rental agreement or violated any rules or regulations of the landlord in any manner that is grounds for termination of tenancy or refusal to renew tenancy."
- Sec. 62 (35) Amend Section 62, page 17 by deleting lines 14 through 17 and inserting:  
"Sec. 62. (Deleted by amendment.)"
- Sec. 65 (36) Amend Section 65, page 19 by deleting lines 7 through 50 and page 20, lines 1 through 5, and inserting:  
"Sec. 65. (Deleted by amendment.)"
- Sec. 66 (37) Amend Section 66, page 20 by deleting lines 6 through 18 and inserting:  
"Sec. 66. (Deleted by amendment.)"
- Sec. 67 (38) Amend Section 67, page 20 by deleting lines 19 through 28 and inserting:  
"Sec. 67. (Deleted by amendment.)"
- Sec. 70 (39) Amend Section 70, page 20 by deleting lines 46 through 48 and page 21 by deleting lines 1 through 3 and inserting:  
"Sec. 70. (Deleted by amendment.)"

Sec. 71

(40) Amend Section 71, page 21 by deleting lines 4 through 26 and inserting:

"Sec. 71. (Deleted by amendment.)"

Sec. 72

(41) Amend Section 72, page 21, line 27 by deleting "108.510, 108.520, 108.530 and"

# EXHIBIT E

A.B. 173

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ASSEMBLY BILL NO. 173 -- ASSEMBLYMEN VERGIELS, SCHOFIELD, DEMERS, KISSAM, JEFFREY, HORN, MANN, HARMON, HAYES, SENA, DREYER, CRADDOCK, BENNETT, GOMES, CHANEY, MELLO, MURPHY, ROBINSON, WAGNER, KOSINSKI, BANNER, PRICE, POLISH, GOODMAN, DINI, HICKEY, GLOVER, HOWARD AND MOODY

JANUARY 27, 1977

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Referred to Committee On Judiciary

SUMMARY -- Enacts Fair Rental Housing Act. (BDR 10-1106)

FISCAL NOTE: Local Government Impact: No.

State or Industrial Insurance Impact: No.

EXPLANATION - Matter in italics is new; matter in brackets [ ] is material to be omitted.

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AN ACT relating to residential landlord-tenant relationships; providing rights, obligations and remedies; declaring state public policy respecting discrimination in housing based on marital status, repealing certain statutory liens of landlords of rental housing; and providing other matters properly relating thereto.

1 WHEREAS, The legislature finds and declares that the business  
2 of renting dwelling units, particularly the contractual relation-  
3 ship between the landlord and the tenant, affects the public  
4 interest of this state; now, therefore,

5  
6 The People of the State of Nevada, represented in Senate and  
7 Assembly, do enact as follows:

8  
9 SECTION 1. SECTION 20 of Assembly Bill No. 173 of the 1977  
10 Legislature is hereby amended to read as follows:

11  
12 SEC. 20. This chapter applies to, regulates and determines  
13 rights, obligations and remedies under a rental agreement,  
14 wherever made, for a dwelling unit or premises located within  
15 this state, except as follows:

16 1. A rental agreement subject to the provisions of  
17 NRS 118.230 to 118.290, inclusive.

18 2. Conventional low rent housing programs operated by  
19 Housing Authorities that are regulated by the "United States  
20 Housing Act of 1937, as Amended (42 U.S.C. 1401-1430)."  
21

LAWS GOVERNING RESIDENTIAL LANDLORD/TENANT RELATIONS

KATHLEEN FOGARTY

The current laws in the State of Nevada governing residential landlord/tenant relations are archaic. I am specifically referring to N.R.S. 40.215 through 40.420.

The laws themselves were originally designed in the days of the agrarian society and were intended to govern leases in estates of land only with little regard for the dwelling itself. Few changes have occurred since. Today, however, with our urban society things are very different and I feel these laws and the theories behind them must be drastically updated.

The case of the average tenant is this; he is seeking more than four walls and a ceiling. What he wants and needs for himself and his family is space and services, in other words, shelter suitable for habitation. Today's city dweller usually has a single specialized skill, unrelated to maintenance work. In most cases, for major repairs and upkeep, he is unable to obtain financing because he has no long-term interest in the property. He is much more mobile than his agrarian predecessor and this factor makes investing money, and, or time into someone else's

EXHIBIT F.

property rather futile. He often lives in multi-family dwellings where he has little control over things like plumbing, heating, ventilation, electricity, proper sanitation and general maintenance, yet those things are vital.

In the 20th century, it is hard to believe that people are actually living in a condition without these necessities of life. I would like to cite, by way of example, the case of a man who was living in Wadsworth. I personally viewed his residence. The drain in the sink and shower were not working and were backing up from another unit's sewer. What carpeting there was, was submerged beneath two inches of water, not only in the bathroom, but in the kitchen as well. The occupant had made repeated requests for this situation to be rectified, with no response. He began withholding rent as his only means to have the drains repaired. He was immediately served with an eviction notice for non-payment of rent. The tenant appeared at the hearing and argued that he had been forced to sleep on a friend's floor for a week because of the stench, the filth and the lack of accessibility to the bathroom and kitchen. Proper notice having been served, and finding no law to govern the question of habitability, the Justice of The Peace ruled in favor of the landlord and ordered the tenant to vacate.

Why didn't he just move? I am sure that I need not discuss the housing shortage we are currently suffering, particularly for low income people. Many times the dwelling represents the home of the tenant where his or her children are located in school, the church which the tenant attends and is a member is located nearby, often long term friendships exist with neighbors, etc. It creates a situation where the consumer is forced to rely on little other than the good faith of the landlord. Many, many landlords are acting in good faith and in fact doing many of the things outlined in this bill. For them, I have the utmost respect. However, if a landlord does not act in good faith, well, I refer back to the man in Wadsworth.

The landlord is essentially selling space and services. The tenant is essentially a consumer, wishing to purchase habitable shelter. In these days, when the trend in legislation is for more consumer protection, I do not think the tenant should be overlooked.

With your permission, I would like to site another example, a complex in Northeast Reno. The aesthetic value is questionable, but that is not what I am concerned with. Certain tenants have lived there in excess of ten years. When I originally reviewed the premises there were leaking roofs, cockroaches, heaters broken, lack of adequate

plumbing, broken windows, holes in the walls. I could go on. A court action was filed based on the health and safety hazards present in this complex. Shortly thereafter the dwellings were sold. A routine check was given by the Building, Fire and Health Inspectors and subsequently a license was given to the new owners stating that the units were fit for occupancy. However, the roofs still leaked, there remained inadequate heating, plumbing, security, etc.

Many of these things have been corrected. However, it was through the court action, not by order of the Inspectors. In addition, in court, the burden of proof is on the tenant.

The consumer in the area of housing, is currently forced into accepting a contract of adhesion, and he should be given relief through legislation. He agrees to pay a certain amount of money and for this should receive a certain commodity, namely, habitable shelter. If he does not live up to his part of the contract, the landlord can evict him. Yet we have no laws that specify the obligations of the landlord.

In purchasing an automobile, the consumer must rely on the good faith of the seller. Legislation has been passed to protect the consumer. Isn't the tenant in a similar position? Shouldn't he be protected also? Isn't

a relationship between landlord and tenant a contract requiring certain things from both parties?

For these reasons and more, I wish to urge this committee to pass the Fair Housing Act in this legislative session.



Legal. Fine  
Wednesday at 8:00 o'clock  
Room # 246

PETER TURCHYN  
355 Broadway Blvd  
Reno, Nev. 89502

My name is Peter Turchyn and I have been a Reno resident since 1949. In that time ~~my daughter was 2 yrs. old and~~ it was most difficult to find an apt. which would ~~accept me and my family. We came to Reno penniless; I could not get a job in my field because I was not yet an American citizen; I could not even speak English. But no matter what hardships we endured, we did not complain and we were a burden to no one.~~

<sup>and my wife</sup> I <sup>we</sup> accepted any job available and my wife and I worked hard, very hard. We did not spend our money foolishly and were finally able to buy a home. We became property owners. With the help of some good people who believed we could make good, we received a loan and in 1963 built an 18-unit <sup>apt. house</sup> complex - ~~4 yrs. later we added another 14.~~ <sup>units</sup> We struggled, taking care of our property, and sacrificed many things. But the satisfaction of my accomplishment outshined the hardships. ~~When I stand on my property, I feel equal to any sovereign, because that property, my accomplishment, is the result of my hard work.~~ I believe that if I could squeeze any brick in my building, I would squeeze out <sup>my</sup> sweat (and blood) of ~~my wife and myself.~~

Today a bill is introduced which says I should

EXHIBIT G

384

deprive myself of rights to my property. If this bill will pass, then the tenant, and no owner, will make the decisions concerning an apt. ~~complex~~. ~~apt~~ apt

Each apt. owner is glad when his place is full, and he appreciates <sup>good ones</sup> a permanent tenant. No one evicts a good tenant. But, under this bill, any tenant can make destruction, refuse to pay rent, and still remain.

Anyone opening a business, opens it in order to serve his customers and each business is ran on certain principles. A customer pays in exchange for merchandise. Whether the merchandise is of quality or not, he chose it voluntarily. The same holds true for an apt. - a tenant is not forced to <sup>normal</sup> live there. Since he is not buying, but borrowing this merchandise, he should expect to conform to some agreement made between himself and the apt. owner.

Why is it that shoplifting demands so heavy a penalty when there is none for a tenant who refuses to pay his rent and damages your property?

In my opinion the passage of this bill is the first step toward nationalization in a country that is not yet socialistic.

Some western European countries have socialism - England, W. Germany, and others - and they have nationalized

some properties, but they began nationalizing from the top, not the bottom. They began with the big corporations, not small people (such as we). Even behind the Iron Curtain you will find that if someone has a room or two to rent he is sovereign of his property. Why deprive us of our rights in this country?

As a property owner I pay about \$14,000.00 per yr. in property, income and local taxes. My utilities and disposal run close to \$5000.00 and my mortgage payments are over \$30,000.00 a year. Aside from these costs there are expenses for upkeep, repair, etc. What will happen should a few of my tenants find reasons not to pay their rent? Will I abandon my place like so many apt. owners in New York did, because of such a law?

In the end I have one question to ask the gentlemen who introduced this bill; Why are you starting all this from Apt. owners? I would say that apts., hotels, and motels fall into the same category of business, so why not start from Bill Harrah and those like him?

Gentlemen of the Assembly, I appeal to you not to pass this bill; do not destroy our properties. America became great through the enterprise of the individual man, let us not destroy him.

*Thank you*

*F. Rappaport*

February 11, 1977

Legislative Counsel  
Capital Mail Room Complex  
Carson City, Nevada 89710

Dear Legislator:

A B 173 in it's present form is detrimental to the viability of Apartment Industry.

This bill while highly idealistic in concept does not concern itself with the pragmatic aspects of our industry; that part which is concerned with the monies to pay for the mortgage, taxes, insurance and all the accompanying expenses of multiple housing ownership and management.

Section 10 for example may lead to foreclosure by a lender due to the inability of the owner to pay the mortgage payments that are due monthly without exception. Just imagine a 4 plex with two tenants or even 1 tenant who does not pay rent because of this Section. There wont be money to pay either the lender, the taxes, the utilities, etc..

We don't believe enough consideration has been given to the economics of property ownership, the arithmetic having to do with debt service, operating expenses, return on investment, etc..

This proposed legislature will have the effect of potential foreclosures, and the necessity to raise rents at least 10% or more to compensate for the increased costs that will result from passage of this type of legislation.

A B 173 needs a complete study in depth before voting on the merits of this proposed statute.

Sincerely,

EXHIBIT H 387

