### SENATE BILL NO. 78-SENATOR DONATE

Prefiled January 26, 2023

JOINT SPONSORS: ASSEMBLYMEN GONZÁLEZ, PETERS; AND WATTS

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to property. (BDR 10-623)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

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

AN ACT relating to property; establishing and revising various definitions relating to property; establishing provisions relating to fees charged by landlords to prospective tenants; prohibiting landlords from transferring, selling, assigning or reporting to certain agencies information concerning amounts owed by tenants to landlords; establishing provisions relating to circumstances under which a landlord changes his or her agent, broker or property management company; requiring a rental agreement to include separate appendices that contain certain information; making it unlawful for a landlord or certain other persons to charge a tenant certain fees; making various changes relating to fees, fines, deposits and costs paid by tenants; requiring rental agreements to include a grace period for the late payment of rent; requiring a tenant to be served with advance notice of increases in certain fees, fines and costs; revising provisions relating to agents of attorneys who serve certain notices relating to evictions; revising provisions relating to representation in small claim actions; and providing other matters properly relating thereto.





### Legislative Counsel's Digest:

Existing law requires a landlord and a tenant to perform certain obligations with respect to a lease of real property. (NRS 118A.240-118A.300) As part of a lease of real property, a landlord may require a tenant to pay a security deposit, defined as a payment, deposit, fee or charge used by the landlord to: (1) remedy a default in the payment of rent by the tenant; (2) repair damage to the premises other than normal wear; and (3) clean the dwelling unit. (NRS 118A.240, 118A.242) Section 5 of this bill defines the term "security deposit" to mean a deposit made in cash or by any other acceptable manner to a landlord for any of the following purposes: (1) remedying any default of the tenant in the payment of periodic rent, including, without limitation, the cost of any fee for the late payment of rent; (2) repairing damage to the premises caused by the tenant other than normal wear; and (3) cleaning the unit. Section 28 of this bill repeals the existing definition of "security deposit."

Existing law requires a landlord to return a security deposit, or any remaining portion thereof, within 30 days after the termination of the tenancy and makes the landlord liable for certain amounts for failing to return the security deposit within this period. (NRS 118A.242) **Section 15** of this bill: (1) requires a landlord to deliver an itemized, written accounting of the disposition of the security deposit or surety bond, or a combination thereof in certain circumstances; (2) prescribes how delivery of the itemized, written accounting must be effectuated by the landlord; and (3) makes the landlord liable for certain amounts for failing to deliver the itemized, written accounting. **Section 15** also provides that in any action relating to an amount claimed of a security deposit for repairing damage to the premises caused by the tenant, the landlord has the burden of proving: (1) that the damage to the premises occurred during the tenancy: and (2) the actual costs of repair.

the premises occurred during the tenancy; and (2) the actual costs of repair.

Existing law defines "normal wear" as deterioration which occurs without negligence, carelessness or abuse of the premises, equipment or chattels by the tenant, a member of the household of the tenant or another person on the premises with the consent of the tenant. (NRS 118A.110) Section 11 of this bill revises the definition of "normal wear" to mean expected deterioration which occurs during the course of a tenancy from the normal use of the premises by such persons.

Existing law requires written rental agreements to contain certain provisions, including, without limitation, provisions concerning: (1) the amount of rent and the manner and time of its payment; and (2) fees which are required and the purposes for which they are required. (NRS 118A.200) Existing law authorizes a landlord to charge a reasonable fee for the late payment of rent. (NRS 118A.210) Section 12 of this bill requires such rental agreements to include a grace period for the late payment of rent. Section 13 of this bill prohibits a landlord from charging the fee for the late payment of rent until the expiration of the grace period set forth in the rental agreement. Section 4 of this bill defines the term "grace period" for such purposes. Section 12 also: (1) requires a written rental agreement to include a separate appendix that contains an explanation of each fee that may be charged during the term of the rental agreement and the purpose for which the fee may be charged; and (2) makes it unlawful for a landlord or other person authorized to enter into a rental agreement on his or her behalf to charge a tenant a fee in an amount or for any purpose that is not set forth in the appendix. Finally, section 12 requires a written rental agreement to also include a separate appendix that contains an explanation of the rights of the tenant pursuant to federal and state law and local ordinances.

Existing law places certain prohibitions on rental agreements. (NRS 118A.220) **Section 14** of this bill prohibits rental agreements from requiring tenants to pay any fee, fine or cost except those which are: (1) authorized by statute; or (2) actual and reasonable. **Sections 12, 19-21 and 24** of this bill make conforming changes relating to the limitations on fees, fines and costs.





**Section 7** of this bill authorizes a landlord to charge a fee for the eviction of a tenant. **Section 6** of this bill requires a landlord who collects from a prospective tenant any fee to apply to rent a dwelling unit to refund the fee if the landlord: (1) rents the dwelling unit to a different prospective tenant; and (2) does not conduct the activity for which the fee was collected. **Section 6** further prohibits a landlord from collecting an application fee, a fee to obtain a credit report or a fee to obtain a background check for a minor who is a member of the household of the prospective tenant.

**Section 8** of this bill prohibits a landlord from transferring, selling, assigning or reporting to certain agencies any amount owed by the tenant, unless the landlord first delivers to the tenant an itemized, written accounting of all outstanding amounts owed by the tenant. **Section 8.5** of this bill requires any action for the enforcement of any provision of a rental agreement to be brought: (1) not later than 2 years after the termination of the tenancy; and (2) as a small claims action, if certain jurisdictional limits apply to the amount owed by the tenant.

**Section 9** of this bill provides that if a landlord changes his or her agent, broker or property management company, the landlord or the new agent, broker or company is required to send certain information to the tenant within 10 business days after the change.

Existing law prohibits a landlord from increasing the rent of a tenant unless the tenant is served with advance notice of the increase. (NRS 118A.300) **Section 18** of this bill similarly prohibits a landlord from increasing certain fees, fines and costs charged to the tenant unless the tenant is served with advance notice of the increase.

Existing law provides that if a tenant's failure to perform basic obligations can be remedied by cleaning and the tenant fails to comply with a request to remedy such failure in a timely manner, the landlord may enter the dwelling unit, cause the work to be done and bill the tenant. (NRS 118A.440) **Section 22** of this bill deletes this provision of existing law.

Existing law requires a tenant to be served with certain notices relating to evictions. Existing law also provides that certain notices may be served by an agent of an attorney who is licensed in this State if: (1) the attorney has been retained by the landlord in certain actions; and (2) the agent is acting at the direction and under the direct supervision of the attorney. (NRS 40.280) In addition to the existing requirements concerning such agents, **section 25** of this bill prohibits the agent from being employed as a property manager in this State.

Existing law authorizes a nongovernmental legal or commercial entity to be represented by its director, officer or employee in an action in small claims court. (NRS 73.012) Similarly, **section 26** of this bill authorizes a landlord to be represented by his or her agent in a small claims action.

**Section 26.5** of this bill provides that the amendatory provisions of this bill do not apply to a tenant of a dwelling unit that is a manufactured home, or on the premises of a manufactured home lot or a manufactured home park.

Finally, section 27 of this bill provides that a rental agreement entered into before the effective date of this bill is binding upon the parties and may be enforced on or after that date, regardless of whether the provisions of the rental agreement conflict with the amendatory provisions of this bill.

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

**Section 1.** NRS 118.101 is hereby amended to read as follows: 118.101 1. A person may not refuse to:



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- (a) Authorize a person with a disability to make reasonable modifications to a dwelling which he or she occupies or will occupy if:
- (1) The person with the disability pays for the modifications; and
- (2) The modifications are necessary to ensure that the person with the disability may use and enjoy the dwelling; or
- (b) Make reasonable accommodations in rules, policies, practices or services if those accommodations are necessary to ensure that the person with the disability may use and enjoy the dwelling.
- 2. A landlord may, as a condition for the authorization of such a modification, reasonably require the person who requests the authorization, upon the termination of his or her occupancy, to restore the dwelling to the condition that existed before the modification, reasonable wear and tear excepted.
- 3. Except as otherwise provided in subsection 4, a landlord may not increase the amount of a security deposit the landlord customarily requires a person to deposit because that person has requested authorization to modify a dwelling pursuant to subsection 1.
- 4. If a person requests authorization to modify a dwelling pursuant to subsection 1, the landlord may require that person to deposit an additional security deposit in addition to the amount the landlord usually requires if the additional security deposit:
- (a) Is necessary to ensure the restoration of the dwelling pursuant to subsection 2;
  - (b) Does not exceed the actual cost of the restoration; and
- (c) Is deposited by the landlord in an interest-bearing account. Any interest earned on the additional amount must be paid to the person who requested the authorization.
- 5. As used in this section, "security deposit" has the meaning ascribed to it in [NRS 118A.240.] section 5 of this act.
- **Sec. 2.** Chapter 118A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 9, inclusive, of this act.
  - **Sec. 3.** (Deleted by amendment.)
- Sec. 4. "Grace period" means a period of time, not less than 3 days, during which rent can be paid late by a tenant.
- Sec. 5. "Security deposit" means a deposit paid in cash, by check or by any other acceptable manner to a landlord for any of the following purposes:
- 1. Remedying any default of the tenant in the payment of periodic rent, including, without limitation, the cost of any fee for the late payment of rent.





- 2. Repairing damage to the premises caused by the tenant other than normal wear.
  - 3. Cleaning the dwelling unit.

- Sec. 6. 1. A landlord who collects from a prospective tenant any fee to apply to rent a dwelling unit, including, without limitation, an application fee, a fee to obtain a credit report or a fee to obtain a background check, shall refund the fee to the prospective tenant if the landlord:
- (a) Rents the dwelling unit to a different prospective tenant;
- (b) Does not conduct the activity for which the fee was collected, including, without limitation, processing the application or obtaining a credit report or background check of the prospective tenant.
- 2. A landlord shall not collect an application fee, a fee to obtain a credit report or a fee to obtain a background check for a minor who is a member of the household of the prospective tenant.
  - 3. As used in this section:
- (a) "Household" means an association of persons who live in the same home or dwelling and who are related by blood, adoption, marriage or domestic partnership.
  - (b) "Minor" means a person who is under 18 years of age.
- Sec. 7. A landlord may charge a tenant a fee for the eviction of the tenant. The amount of the fee must not exceed the direct and actual costs of the landlord associated with the action for eviction.
- Sec. 8. 1. A landlord may not transfer, sell, assign or report to a collection agency or credit reporting agency any amount owed by the tenant to the landlord, unless the landlord delivers to the tenant an itemized, written accounting of all outstanding amounts owed by the tenant at least 30 days in advance of transferring, selling, assigning or reporting the amount owed to a collection agency or credit reporting agency.
- 2. An itemized, written accounting required by subsection 1 must contain a disclosure which states that if the outstanding amounts are not paid within 30 days, the landlord will transfer, sell, assign or report the outstanding amount to a collection agency or credit reporting agency.
- 3. The delivery of the itemized, written accounting must be effectuated by the landlord by:
- (a) Personally handing the itemized, written accounting to the tenant at the place where rent is paid by the tenant; or
- (b) Mailing the itemized, written accounting to the tenant at the present address of the tenant, if known, or the last known





address of the tenant, if the present address of the tenant is unknown.

- Sec. 8.5. 1. Any action for the enforcement of any provision of a rental agreement must be commenced not later than 2 years after the termination of the tenancy, as established by the rental agreement.
- 2. If the amount owed by the tenant does not exceed the jurisdictional limit set forth in chapter 73 of NRS, the landlord must bring a small claims action.
- Sec. 9. Within 10 business days after the landlord changes his or her agent, broker or property management company, the landlord or the new agent, broker or company shall provide written notification to the tenant which must contain:
- 1. The name, address and telephone number of the new agent, broker or company; and
- 2. A statement that the security deposit of the tenant was transferred, in its entirety without deductions, to the new entity and that no additional security deposit is required to be paid by the tenant.
- **Sec. 10.** NRS 118A.020 is hereby amended to read as follows: 118A.020 As used in this chapter, unless the context otherwise requires, the terms defined in NRS 118A.030 to 118A.175, inclusive, *and sections 4 and 5 of this act* have the meanings ascribed to them in those sections.
- **Sec. 11.** NRS 118A.110 is hereby amended to read as follows: 118A.110 *1.* "Normal wear" means [that] the expected deterioration which occurs [without negligence, carelessness or abuse] during the course of a tenancy from the normal use of the premises [, equipment or chattels] by the tenant, a household member of the [tenant's household] tenant or other person on the premises with the [tenant's] consent [.] of the tenant.
- 2. The term does not include damage to the premises which results from the neglect or abuse of the premises by the tenant, a household member of the tenant or other person on the premises.
- **Sec. 12.** NRS 118A.200 is hereby amended to read as follows: 118A.200 1. Any written agreement for the use and occupancy of a dwelling unit or premises must be signed by the landlord or his or her agent and the tenant or his or her agent.
- 2. The landlord shall provide one copy of any written agreement described in subsection 1 to the tenant free of cost at the time the agreement is executed and, upon request of the tenant, provide additional copies of any such agreement to the tenant within a reasonable time. The landlord may charge a reasonable fee for providing the additional copies.



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- 3. Any written rental agreement must contain, but is not limited to, provisions relating to the following subjects:
  - (a) Duration of the agreement.

- (b) Amount of rent and the manner and time of its payment [.], including, without limitation:
  - (1) The duration of the grace period.
  - (2) The fee for the late payment of rent.
  - (c) Occupancy by children or pets.
  - (d) Services included with the dwelling rental.
- (e) [Fees] Subject to the limitations set forth in NRS 118A.220, fees, fines and costs which are [required] to be paid by the tenant and the purposes for which they are required.
  - (f) Deposits which are required and the conditions for their refund [...], as applicable.
  - (g) [Charges which may be required for late or partial payment of rent or for return of any dishonored check.
- (h) Inspection rights of the landlord.
- **[(i)]** (h) A listing of persons or numbers of persons who are to occupy the dwelling.
- (i) Respective responsibilities of the landlord and the tenant as to the payment of utility charges.
- [(k)] (j) A signed record of the inventory and condition of the premises under the exclusive custody and control of the tenant.
  - (k) A summary of the provisions of NRS 202.470.
- [(m)] (1) Information regarding the procedure pursuant to which a tenant may report to the appropriate authorities:
  - (1) A nuisance.
- (2) A violation of a building, safety or health code or regulation.
- [(n)] (m) Information regarding the right of the tenant to engage in the display of the flag of the United States, as set forth in NRS 118A.325.
- (n) A separate appendix that contains a clear and concise explanation of each fee that may be charged during the term of the rental agreement and the purpose for which the fee may be charged. The appendix must state with specificity:
- (1) For each fee that is variable, that the cost to be paid by the tenant is the actual cost incurred and that no additional fee will be added unless the fee is for a charge incurred by the tenant, including, without limitation, a late fee; and
- (2) For each fee that is fixed or provided by a third-party vendor, the current amount of the fee.
- (o) A separate appendix that contains a clear and concise explanation of the rights of the tenant pursuant to federal and state laws and local ordinances.





- 4. In addition to the provisions required by subsection 3, any written rental agreement for a single-family residence which is not signed by an authorized agent of the landlord who at the time of signing holds a permit to engage in property management pursuant to chapter 645 of NRS must contain a disclosure at the top of the first page of the agreement, in a font size at least two times larger than any other font size in the agreement, which states that:
- (a) There are rebuttable presumptions in NRS 205.0813 and 205.0817 that the tenant does not have lawful occupancy of the dwelling unless the agreement:
- (1) Is notarized or is signed by an authorized agent of the landlord who at the time of signing holds a permit to engage in property management pursuant to chapter 645 of NRS; and
- (2) Includes the current address and telephone number of the landlord or his or her authorized representative; and
- (b) The agreement is valid and enforceable against the landlord and the tenant regardless of whether the agreement:
- (1) Is notarized or is signed by an authorized agent of the landlord who at the time of signing holds a permit to engage in property management pursuant to chapter 645 of NRS; or
- (2) Includes the current address and telephone number of the landlord or his or her authorized representative.
- 5. The absence of a written agreement raises a disputable presumption that:
  - (a) There are no restrictions on occupancy by children or pets.
- (b) Maintenance and waste removal services are provided without charge to the tenant.
- (c) [No charges for partial or late payments of rent or for dishonored checks are paid by the tenant.] There is no fee for the late payment of rent.
- (d) Other than normal wear, the premises will be returned in the same condition as when the tenancy began.
- 6. It is unlawful for a landlord or any person authorized to enter into a rental agreement on his or her behalf to use any written agreement which does not conform to the provisions of this section, and any provision in an agreement which contravenes the provisions of this section is void.
- 7. It is unlawful for a landlord or any person authorized to enter into a rental agreement on his or her behalf to charge a tenant a fee in an amount or for any purpose that is not set forth in the appendix to the rental agreement that is required pursuant to paragraph (n) of subsection 3.
- 8. As used in this section, "single-family residence" means a structure that is comprised of not more than four units. The term





does not include a manufactured home as defined in NRS 118B.015.

- **Sec. 13.** NRS 118A.210 is hereby amended to read as follows:
- 118A.210 1. Rent is payable without demand or notice at the time and place agreed upon by the parties.
- 2. Unless the rental agreement establishes a definite term, the tenancy is from week to week in the case of a tenant who pays weekly rent and in all other cases the tenancy is from month to month.
  - 3. In the absence of an agreement, either written or oral:
  - (a) Rent is payable at the beginning of the tenancy; and
- (b) Rent for the use and occupancy of a dwelling is the fair rental value for the use and occupancy.
- 4. A landlord may charge a reasonable late fee for the late payment of rent as set forth in the rental agreement, but:
- (a) In a tenancy that is longer than week to week, no late fee may be charged or imposed until at least 3 calendar days after the date that rent is due:
- (b) Such a late fee must not exceed 5 percent of the amount of the periodic rent; [and]
- (c) Such a late fee must not be charged until the expiration of the grace period set forth in the rental agreement; and
- (d) The maximum amount of the late fee must not be increased based upon a late fee that was previously imposed.
- **Sec. 14.** NRS 118A.220 is hereby amended to read as follows: 118A.220 1. A rental agreement shall not provide that the tenant:
- (a) Agrees to waive or forego rights or remedies afforded by this chapter;
- (b) Authorizes any person to confess judgment on any claim arising out of the rental agreement;
  - (c) Agrees to pay [the]:
- (1) The landlord's attorney's fees, except that the agreement may provide that reasonable attorney's fees may be awarded to the prevailing party in the event of court action; or
  - (2) Any fee, fine or cost, except those which are:
    - (I) Expressly authorized by statute; or
    - (II) Actual and reasonable;
- (d) Agrees to the exculpation or limitation of any liability of the landlord arising under law or to indemnify the landlord for that liability or the costs connected therewith if the liability is based upon an act or omission of the landlord or any agent or employee of the landlord; or
- (e) Agrees to give the landlord a different notice of termination than that required to be given by the landlord to the tenant.





- 2. Any provision prohibited by subsection 1 is void as contrary to public policy and the tenant may recover any actual damages incurred through the inclusion of the prohibited provision.
  - **Sec. 15.** NRS 118A.242 is hereby amended to read as follows:
- 118A.242 1. The landlord may not demand or receive a security deposit or a surety bond, or a combination thereof, including the last month's rent, whose total amount or value exceeds 3 months' periodic rent.
- 2. In lieu of paying all or part of the security deposit required by the landlord, a tenant may, if the landlord consents, purchase a surety bond to secure the tenant's obligation to the landlord under the rental agreement to:
  - (a) Remedy any default of the tenant in the payment of rent.
  - (b) Repair damages to the premises other than normal wear and ar.
  - (c) Clean the dwelling unit.
  - 3. The landlord:

- (a) Is not required to accept a surety bond purchased by the tenant in lieu of paying all or part of the security deposit; and
- (b) May not require a tenant to purchase a surety bond in lieu of paying all or part of the security deposit.
- 4. Upon termination of the tenancy by either party for any reason, the landlord may claim of the security deposit or surety bond, or a combination thereof, only such amounts as are reasonably necessary to <a href="freedyl">[remedyl]:</a>
- (a) Remedy any default of the tenant in the payment of rent [, to repair];
- (b) Repair damages to the premises caused by the tenant other than normal wear [and to pay the reasonable costs of cleaning the premises.]; and
  - (c) Clean the premises.
- 5. The landlord shall [provide] deliver to the tenant [with] an itemized, written accounting of the disposition of the security deposit or surety bond, or a combination thereof, and return any remaining portion of the security deposit to the tenant [no] not later than 30 days after the termination of the tenancy by handing it to the tenant personally at the place where the rent is paid, or by mailing it to the tenant at the tenant's present address or, if that address is unknown, at the tenant's last known address.
- [5. If a tenant disputes an item contained in an itemized written accounting received from a landlord pursuant to subsection 4, the tenant may send a written response disputing the item to the surety. If the tenant sends the written response within 30 days after receiving the itemized written accounting, the surety shall not report





the claim of the landlord to a credit reporting agency unless the surety obtains a judgment against the tenant.]

- 6. The delivery of the itemized, written accounting must be effectuated by the landlord by:
- (a) Personally handing the itemized, written accounting to the tenant at the place where rent is paid by the tenant; or
- (b) Mailing the itemized, written accounting to the tenant at the present address of the tenant, if known, or the last known address of the tenant, if the present address of the tenant is unknown.
- 7. If the landlord fails or refuses to *deliver the itemized*, *written accounting or* return the remainder of a security deposit within 30 days after the end of a tenancy, the landlord is liable to the tenant for damages:
  - (a) In an amount equal to the entire security deposit; and
- (b) For a sum to be fixed by the court of not more than the amount of the entire security deposit.
- [7.] 8. In determining the sum, if any, to be awarded under paragraph (b) of subsection [6,] 7, the court shall consider:
  - (a) Whether the landlord acted in good faith;
- (b) The course of conduct between the landlord and the tenant; and
- (c) The degree of harm to the tenant caused by the landlord's conduct.
- [8. Except for an agreement which provides for a nonrefundable charge for cleaning, in a reasonable amount, no]
- 9. In any action relating to an amount claimed of a security deposit or surety bond, or a combination thereof, by a landlord for repairing damage to the premises caused by the tenant other than normal wear, the landlord has the burden of proving:
- (a) That the damage to the premises occurred during the tenancy of the tenant; and
  - (b) The actual costs of repair.
- 10. A rental agreement [may] must not contain any provision characterizing any security deposit under this section as nonrefundable or any provision waiving or modifying a tenant's rights under this section. Any such provision is void as contrary to public policy.
- [9.] 11. The claim of a tenant to a security deposit to which the tenant is entitled under this chapter takes precedence over the claim of any creditor of the landlord.
  - **Sec. 16.** (Deleted by amendment.)
  - **Sec. 17.** (Deleted by amendment.)
  - **Sec. 18.** NRS 118A.300 is hereby amended to read as follows:
  - 118A.300 The landlord may not increase [the]:





- 1. The rent payable by a tenant unless the landlord serves the tenant with a written notice, [60] at least 60 days or, in the case of any periodic tenancy of less than 1 month, [30] at least 30 days in advance of the first rental payment to be increased, advising the tenant of the increase.
- 2. Any fee, fine or cost required to be paid by the tenant, unless the landlord serves the tenant with a written notice:
- (a) At least 60 days in advance of the first payment to be increased, if the tenancy is from month to month; or
- (b) At least 30 days in advance of the first payment to be increased, if the tenancy is from week to week.

**Sec. 19.** NRS 118A.355 is hereby amended to read as follows:

- 118A.355 1. Except as otherwise provided in this chapter, if a landlord fails to maintain a dwelling unit in a habitable condition as required by this chapter, the tenant shall deliver a written notice to the landlord specifying each failure by the landlord to maintain the dwelling unit in a habitable condition and requesting that the landlord remedy the failures. If a failure is remediable and the landlord adequately remedies the failure or uses his or her best efforts to remedy the failure within 14 days after receipt of the notice, the tenant may not proceed under this section. If the landlord fails to remedy a material failure to maintain the dwelling unit in a habitable condition or to make a reasonable effort to do so within the prescribed time, the tenant may:
  - (a) Terminate the rental agreement immediately.
  - (b) Recover actual damages.
- (c) Apply to the court for such relief as the court deems proper under the circumstances.
- (d) Withhold any rent that becomes due without incurring [late fees, charges for notice or] any [other charge or] fee, *fine or cost* authorized by [this chapter or] the rental agreement until the landlord has remedied, or has attempted in good faith to remedy, the failure.
  - 2. The tenant may not proceed under this section:
- (a) For a condition caused by the tenant's own deliberate or negligent act or omission or that of a member of his or her household or other person on the premises with his or her consent; or
- (b) If the landlord's inability to adequately remedy the failure or use his or her best efforts to remedy the failure within 14 days is due to the tenant's refusal to allow lawful access to the dwelling unit as required by the rental agreement or this chapter.
- 3. If the rental agreement is terminated, the landlord shall return all prepaid rent and any security deposit recoverable by the tenant under this chapter.





- 4. A tenant may not proceed under this section unless the tenant has given notice as required by subsection 1, except that the tenant may, without giving that notice:
- (a) Recover damages under paragraph (b) of subsection 1 if the landlord:
- (1) Admits to the court that the landlord had knowledge of the condition constituting the failure to maintain the dwelling in a habitable condition; or
- (2) Has received written notice of that condition from a governmental agency authorized to inspect for violations of building, housing or health codes.
- (b) Withhold rent under paragraph (d) of subsection 1 if the landlord:
- (1) Has received written notice of the condition constituting the failure to maintain the dwelling in a habitable condition from a governmental agency authorized to inspect for violations of building, housing or health codes; and
- (2) Fails to remedy or attempt in good faith to remedy the failure within the time prescribed in the written notice of that condition from the governmental agency.
- 5. Justice courts shall establish by local rule a mechanism by which tenants may deposit rent withheld under paragraph (d) of subsection 1 into an escrow account maintained or approved by the court. A tenant does not have a defense to an eviction under paragraph (d) of subsection 1 unless the tenant has deposited the withheld rent into an escrow account pursuant to this subsection.
- **Sec. 20.** NRS 118A.370 is hereby amended to read as follows: 118A.370 If the landlord fails to deliver possession of the dwelling unit to the tenant as provided in this chapter, rent abates until possession is delivered as required, and the tenant may:
- 1. Terminate the rental agreement upon at least 5 days' written notice to the landlord and upon termination the landlord shall return all prepaid rent, any security deposit recoverable under this chapter [,] and any [payment,] other fee, fine, cost or deposit [, fee or charge to secure the execution of] required under the rental agreement [; or] to be paid by the tenant before his or her possession of the premises.
- 2. Demand performance of the rental agreement by the landlord and, if the tenant elects, maintain an action for possession of the dwelling unit against the landlord or any person wrongfully in possession and recover the actual damages sustained. If the landlord has exercised due diligence to evict the holdover tenant or remedy the condition keeping the new tenant from taking possession, the landlord is not liable for damages. [; or]





3. Pursue any other remedies to which the tenant is entitled, including the right to recover any actual damages suffered.

**Sec. 21.** NRS 118A.380 is hereby amended to read as follows:

118A.380 1. If the landlord is required by the rental agreement or this chapter to supply heat, air-conditioning, running water, hot water, electricity, gas, a functioning door lock or another essential item or service and the landlord willfully or negligently fails to do so, causing the premises to become unfit for habitation, the tenant shall give written notice to the landlord specifying the breach. If the landlord does not adequately remedy the breach, or use his or her best efforts to remedy the breach within 48 hours, except a Saturday, Sunday or legal holiday, after it is received by the landlord, the tenant may, in addition to any other remedy:

- (a) Procure reasonable amounts of such essential items or services during the landlord's noncompliance and deduct their actual and reasonable cost from the rent;
- (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;
- (c) Withhold any rent that becomes due during the landlord's noncompliance without incurring [late fees, charges for notice or] any [other charge or] fee, fine or cost authorized by [this chapter or] the rental agreement, until the landlord has attempted in good faith to restore the essential items or services; or
- (d) Procure other housing which is comparable during the landlord's noncompliance, and the rent for the original premises fully abates during this period. The tenant may recover the actual and reasonable cost of that other housing which is in excess of the amount of rent which is abated.
- 2. If the tenant proceeds under this section, the tenant may not proceed under NRS 118A.350 and 118A.360 as to that breach.
- 3. The rights of the tenant under this section do not arise until the tenant has given written notice as required by subsection 1, except that the tenant may, without having given that notice:
- (a) Recover damages as authorized under paragraph (b) of subsection 1 if the landlord:
- (1) Admits to the court that the landlord had knowledge of the lack of such essential items or services; or
- (2) Has received written notice of the uninhabitable condition caused by such a lack from a governmental agency authorized to inspect for violations of building, housing or health codes.
- (b) Withhold rent under paragraph (c) of subsection 1 if the landlord:





- (1) Has received written notice of the condition constituting the breach from a governmental agency authorized to inspect for violations of building, housing or health codes; and
- (2) Fails to remedy or attempt in good faith to remedy the breach within the time prescribed in the written notice of that condition from the governmental agency.
- 4. The rights of the tenant under paragraph (c) of subsection 1 do not arise unless the tenant is current in the payment of rent at the time of giving written notice pursuant to subsection 1.
- 5. If such a condition was caused by the deliberate or negligent act or omission of the tenant, a member of his or her household or other person on the premises with his or her consent, the tenant has no rights under this section.

**Sec. 22.** NRS 118A.440 is hereby amended to read as follows:

118A.440 If the tenant's failure to perform basic obligations under this chapter can be remedied by repair [,] or replacement of a damaged item, [or cleaning,] and the tenant fails to use his or her best efforts to comply within 14 days after written notice by the landlord specifying the breach and requesting that the tenant remedy it within that period of time or more promptly if conditions require in case of emergency, the landlord may enter the dwelling unit and cause the work to be done in a workmanlike manner and submit the itemized bill for the actual and reasonable cost, or the fair and reasonable value of the work. The itemized bill must be paid as rent on the next date periodic rent is due, or if the rental agreement has terminated, may be submitted to the tenant for immediate payment or deducted from the security deposit.

Sec. 23. (Deleted by amendment.)

**Sec. 24.** NRS 40.253 is hereby amended to read as follows:

40.253 1. Except as otherwise provided in subsection 12, in addition to the remedy provided in NRS 40.2512 and 40.290 to 40.420, inclusive, when the tenant of any dwelling, apartment, mobile home or recreational vehicle with periodic rent reserved by the month or any shorter period is in default in payment of the rent, the landlord or the landlord's agent may cause to be served a notice in writing, requiring in the alternative the payment of the rent or the surrender of the premises:

- (a) Before the close of business on the seventh judicial day following the day of service; or
- (b) If the landlord chooses not to proceed in the manner set forth in paragraph (a) and the rent is reserved by a period of 1 week or less and the tenancy has not continued for more than 45 days, at or before noon of the fourth full day following the day of service.
- As used in this subsection, "day of service" means the day the landlord or the landlord's agent personally delivers the notice to the





tenant. If personal service was not so delivered, the "day of service" means the day the notice is delivered, after posting and mailing pursuant to subsection 2, to the sheriff or constable for service if the request for service is made before noon. If the request for service by the sheriff or constable is made after noon, the "day of service" shall be deemed to be the day next following the day that the request is made for service by the sheriff or constable.

- 2. A landlord or the landlord's agent who serves a notice to a tenant pursuant to paragraph (b) of subsection 1 shall attempt to deliver the notice in person in the manner set forth in subsection 2 of NRS 40.2542. If the notice cannot be delivered in person, the landlord or the landlord's agent:
- (a) Shall post a copy of the notice in a conspicuous place on the premises and mail the notice by overnight mail; and
- (b) After the notice has been posted and mailed, may deliver the notice to the sheriff or constable for service in the manner set forth in subsection 1 of NRS 40.280. The sheriff or constable shall not accept the notice for service unless it is accompanied by written evidence, signed by the tenant when the tenant took possession of the premises, that the landlord or the landlord's agent informed the tenant of the provisions of this section which set forth the lawful procedures for eviction from a short-term tenancy. Upon acceptance, the sheriff or constable shall serve the notice within 48 hours after the request for service was made by the landlord or the landlord's agent.
  - 3. A notice served pursuant to subsection 1 or 2 must:
  - (a) Identify the court that has jurisdiction over the matter; and
  - (b) Advise the tenant:
- (1) Of the tenant's right to contest the matter by filing, within the time specified in subsection 1 for the payment of the rent or surrender of the premises, an affidavit with the court that has jurisdiction over the matter stating that the tenant has tendered payment or is not in default in the payment of the rent;
- (2) That if the court determines that the tenant is guilty of an unlawful detainer, the court may issue a summary order for removal of the tenant or an order providing for the nonadmittance of the tenant, directing the sheriff or constable of the county to post the order in a conspicuous place on the premises not later than 24 hours after the order is received by the sheriff or constable. The sheriff or constable shall remove the tenant not earlier than 24 hours but not later than 36 hours after the posting of the order; and
- (3) That, pursuant to NRS 118A.390, a tenant may seek relief if a landlord unlawfully removes the tenant from the premises or excludes the tenant by blocking or attempting to block the tenant's entry upon the premises or willfully interrupts or causes or permits





the interruption of an essential service required by the rental agreement or chapter 118A of NRS.

- 4. If the tenant files such an affidavit at or before the time stated in the notice, the landlord or the landlord's agent, after receipt of a file-stamped copy of the affidavit which was filed, shall not provide for the nonadmittance of the tenant to the premises by locking or otherwise.
  - 5. Upon noncompliance with the notice:
- (a) The landlord or the landlord's agent may apply by affidavit of complaint for eviction to the justice court of the township in which the dwelling, apartment, mobile home or recreational vehicle are located or to the district court of the county in which the dwelling, apartment, mobile home or recreational vehicle are located, whichever has jurisdiction over the matter. The court may thereupon issue an order directing the sheriff or constable of the county to post the order in a conspicuous place on the premises not later than 24 hours after the order is received by the sheriff or constable. The sheriff or constable shall remove the tenant not earlier than 24 hours but not later than 36 hours after the posting of the order. The affidavit must state or contain:
  - (1) The date the tenancy commenced.
  - (2) The amount of periodic rent reserved.
- (3) The amounts of any cleaning, security or rent deposits paid in advance, in excess of the first month's rent, by the tenant.
  - (4) The date the rental payments became delinquent.
- (5) The length of time the tenant has remained in possession without paying rent.
  - (6) The amount of rent claimed due and delinquent.
- (7) A statement that the written notice was served on the tenant in accordance with NRS 40.280.
  - (8) A copy of the written notice served on the tenant.
  - (9) A copy of the signed written rental agreement, if any.
- (b) Except when the tenant has timely filed the affidavit described in subsection 3 and a file-stamped copy of it has been received by the landlord or the landlord's agent, and except when the landlord is prohibited pursuant to NRS 118A.480, the landlord or the landlord's agent may, in a peaceable manner, provide for the nonadmittance of the tenant to the premises by locking or otherwise.
- 6. Upon the filing by the tenant of the affidavit permitted in subsection 3, regardless of the information contained in the affidavit, and the filing by the landlord of the affidavit permitted by subsection 5, the justice court or the district court shall hold a hearing, after service of notice of the hearing upon the parties, to determine the truthfulness and sufficiency of any affidavit or notice provided for in this section. If the court determines that there is no





legal defense as to the alleged unlawful detainer and the tenant is guilty of an unlawful detainer, the court may issue a summary order for removal of the tenant or an order providing for the nonadmittance of the tenant. If the court determines that there is a legal defense as to the alleged unlawful detainer, the court shall refuse to grant either party any relief, and, except as otherwise provided in this subsection, shall require that any further proceedings be conducted pursuant to NRS 40.290 to 40.420, inclusive. The issuance of a summary order for removal of the tenant does not preclude an action by the tenant for any damages or other relief to which the tenant may be entitled. If the alleged unlawful detainer was based upon subsection 5 of NRS 40.2514, the refusal by the court to grant relief does not preclude the landlord thereafter from pursuing an action for unlawful detainer in accordance with NRS 40.251.

- 7. The tenant may, upon payment of the appropriate fees relating to the filing and service of a motion, file a motion with the court, on a form provided by the clerk of the court, to dispute the amount of the costs, if any, claimed by the landlord pursuant to NRS 118A.460 for the inventory, moving and storage of personal property left on the premises. The motion must be filed within 20 days after the summary order for removal of the tenant or the abandonment of the premises by the tenant, or within 20 days after:
- (a) The tenant has vacated or been removed from the premises; and
- (b) A copy of those charges has been requested by or provided to the tenant,
- → whichever is later.

- 8. Upon the filing of a motion pursuant to subsection 7, the court shall schedule a hearing on the motion. The hearing must be held within 10 days after the filing of the motion. The court shall affix the date of the hearing to the motion and order a copy served upon the landlord by the sheriff, constable or other process server. At the hearing, the court may:
- (a) Determine the costs, if any, claimed by the landlord pursuant to NRS 118A.460 and any accumulating daily costs; and
- (b) Order the release of the tenant's property upon the payment of the charges determined to be due or if no charges are determined to be due.
- 9. The tenant may, upon payment of the appropriate fees relating to the filing and service of a motion, file a motion with the court on a form provided by the clerk of court to dispute the reasonableness of the actions of a landlord pursuant to subsection 3 of NRS 118A.460. The motion must be filed within 5 days after the tenant has vacated or been removed from the premises. Upon the





filing of a motion pursuant to this subsection, the court shall schedule a hearing on the motion. The hearing must be held within 5 days after the filing of the motion. The court shall affix the date of the hearing to the motion and order a copy served upon the landlord by the sheriff, constable or other process server. At the hearing, the court may:

- (a) Order the landlord to allow the retrieval of the tenant's essential personal effects at the date and time and for a period necessary for the retrieval, as determined by the court; and
  - (b) Award damages in an amount not greater than \$2,500.
- 10. In determining the amount of damages, if any, to be awarded under paragraph (b) of subsection 9, the court shall consider:
  - (a) Whether the landlord acted in good faith;
- (b) The course of conduct between the landlord and the tenant; and
- (c) The degree of harm to the tenant caused by the landlord's conduct.
- 11. A landlord shall not refuse to accept rent from a tenant that is submitted after the landlord or the landlord's agent has served or had served a notice pursuant to subsection 1 if the refusal is based on the fact that the tenant has not paid collection fees, attorney's fees or other costs other than rent, a reasonable [charge] fee for late [payments] payment of rent [or dishonored checks,] or a security deposit. As used in this subsection, "security deposit" has the meaning ascribed to it in [NRS 118A.240.] section 5 of this act.
- 12. Except as otherwise provided in NRS 118A.315, this section does not apply to:
- (a) The tenant of a mobile home lot in a mobile home park or to the tenant of a recreational vehicle lot in an area of a mobile home park in this State other than an area designated as a recreational vehicle lot pursuant to the provisions of subsection 8 of NRS 40.215.
- (b) A tenant who provides proof to the landlord that he or she is a federal worker, tribal worker, state worker or household member of such a worker during a shutdown.
- 13. As used in this section, "close of business" means the close of business of the court that has jurisdiction over the matter.
  - **Sec. 25.** NRS 40.280 is hereby amended to read as follows:
- 40.280 1. Except as otherwise provided in NRS 40.253 and 40.2542, the notices required by NRS 40.251 to 40.260, inclusive, must be served by the sheriff, a constable, a person who is licensed as a process server pursuant to chapter 648 of NRS or the agent of an attorney licensed to practice in this State:
  - (a) By delivering a copy to the tenant personally.





- (b) If the tenant is absent from the tenant's place of residence or from the tenant's usual place of business, by leaving a copy with a person of suitable age and discretion at either place and mailing a copy to the tenant at the tenant's place of residence or place of business.
- (c) If the place of residence or business cannot be ascertained, or a person of suitable age or discretion cannot be found there, by posting a copy in a conspicuous place on the leased property, delivering a copy to a person there residing, if the person can be found, and mailing a copy to the tenant at the place where the leased property is situated.
- 2. The notices required by NRS 40.230, 40.240 and 40.414 must be served upon an unlawful or unauthorized occupant:
- (a) Except as otherwise provided in this paragraph and paragraph (b), by delivering a copy to the unlawful or unauthorized occupant personally, in the presence of a witness. If service is accomplished by the sheriff, constable or a person who is licensed as a process server pursuant to chapter 648 of NRS, the presence of a witness is not required.
- (b) If the unlawful or unauthorized occupant is absent from the real property, by leaving a copy with a person of suitable age and discretion at the property and mailing a copy to the unlawful or unauthorized occupant at the place where the property is situated. If the occupant is unknown, the notice must be addressed to "Current Occupant."
- (c) If a person of suitable age or discretion cannot be found at the real property, by posting a copy in a conspicuous place on the property and mailing a copy to the unlawful or unauthorized occupant at the place where the property is situated. If the occupant is unknown, the notice must be addressed to "Current Occupant."
- 3. Service upon a subtenant may be made in the same manner as provided in subsection 1.
- 4. Proof of service of any notice required by NRS 40.230 to 40.260, inclusive, must be filed with the court before:
- (a) An order for removal of a tenant is issued pursuant to NRS 40.253 or 40.254;
- (b) An order for removal of an unlawful or unauthorized occupant is issued pursuant to NRS 40.414;
- (c) A writ of restitution is issued pursuant to NRS 40.290 to 40.420, inclusive; or
- (d) An order for removal of a commercial tenant pursuant to NRS 40.2542.
- 5. Proof of service of notice pursuant to NRS 40.230 to 40.260, inclusive, that must be filed before the court may issue an order or





writ filed pursuant to paragraph (a), (b) or (c) of subsection 4 must consist of:

- (a) Except as otherwise provided in paragraph (b):
- (1) If the notice was served pursuant to subsection 1, a written statement, endorsed by the person who served the notice, stating the date and manner of service. The statement must also include the number of the badge or license of the person who served the notice. If the notice was served by the agent of an attorney licensed in this State, the statement must be accompanied by a declaration, signed by the attorney and bearing the license number of the attorney, stating that the attorney:
- (I) Was retained by the landlord in an action pursuant to NRS 40.230 to 40.420, inclusive;
- (II) Reviewed the date and manner of service by the agent; and
- (III) Believes to the best of his or her knowledge that such service complies with the requirements of this section.
- (2) If the notice was served pursuant to paragraph (a) of subsection 2, an affidavit or declaration signed by the tenant or the unlawful or unauthorized occupant, as applicable, and a witness, signed under penalty of perjury by the server, acknowledging that the tenant or occupant received the notice on a specified date.
- (3) If the notice was served pursuant to paragraph (b) or (c) of subsection 2, an affidavit or declaration signed under penalty of perjury by the person who served the notice, stating the date and manner of service and accompanied by a confirmation of delivery or certificate of mailing issued by the United States Postal Service or confirmation of actual delivery by a private postal service.
- (b) For a short-term tenancy, if service of the notice was not delivered in person:
- (1) A certificate of mailing issued by the United States Postal Service or by a private postal service to the landlord or the landlord's agent; or
  - (2) The endorsement of a sheriff or constable stating the:
- (I) Time and date the request for service was made by the landlord or the landlord's agent;
  - (II) Time, date and manner of the service; and
  - (III) Fees paid for the service.
- 6. Proof of service of notice pursuant to NRS 40.230 to 40.260, inclusive, that must be filed before the court may issue an order filed pursuant to paragraph (d) of subsection 4 must consist of:
  - (a) Except as otherwise provided in paragraphs (b) and (c):
- (1) If the notice was served pursuant to subsection 2 of NRS 40.2542, an affidavit or declaration signed by the tenant or the unlawful or unauthorized occupant, and a witness, as applicable,





signed under penalty of perjury by the server, acknowledging that the tenant or occupant received the notice on a specified date.

- (2) If the notice was served pursuant to paragraph (b) or (c) of subsection 1, an affidavit or declaration signed under penalty of perjury by the person who served the notice, stating the date and manner of service and accompanied by a confirmation of delivery or certificate of mailing issued by the United States Postal Service or confirmation of actual delivery by a private postal service.
- (b) If the notice was served by a sheriff, a constable or a person who is licensed as a process server pursuant to chapter 648 of NRS, a written statement, endorsed by the person who served the notice, stating the date and manner of service. The statement must also include the number of the badge or license of the person who served the notice.
- (c) For a short-term tenancy, if service of the notice was not delivered in person:
- (1) A certificate of mailing issued by the United States Postal Service or by a private postal service to the landlord or the landlord's agent; or
  - (2) The endorsement of a sheriff or constable stating the:
- (I) Time and date the request for service was made by the landlord or the landlord's agent;
  - (II) Time, date and manner of the service; and
  - (III) Fees paid for the service.
- 7. For the purpose of this section, an agent of an attorney licensed in this State shall only serve notice pursuant to subsection 1 if
- (a) The landlord has retained the attorney in an action pursuant to NRS 40.230 to 40.420, inclusive; [and]
- (b) The agent is acting at the direction and under the direct supervision of the attorney : and
- (c) The agent is not employed as the property manager of any premises in this State.
  - **Sec. 26.** NRS 73.012 is hereby amended to read as follows:
- 73.012 *I.* A corporation, partnership, business trust, estate, trust, association or any other nongovernmental legal or commercial entity may be represented by its director, officer or employee in an action mentioned or covered by this chapter.
- 2. A landlord may be represented by his or her agent in an action mentioned or covered by this chapter.
- **Sec. 26.5.** 1. The amendatory provisions of this act do not apply to the tenant of a dwelling that is a manufactured home or on the premises of a manufactured home lot or a manufactured home park.
  - 2. As used in this section:





- (a) "Dwelling" has the meaning ascribed to it in 118A.080.
- (b) "Manufactured home" has the meaning ascribed to it in NRS 118B.015.
- (c) "Manufactured home lot" has the meaning ascribed to it in NRS 118B.016.
- (d) "Manufactured home park" has the meaning ascribed to it in NRS 118B.017.
  - (e) "Tenant" has the meaning ascribed to it in NRS 118A.170.
- **Sec. 27.** Any rental agreement between a landlord and tenant entered into before the effective date of this act is binding upon the parties to the agreement and may be enforced on or after the effective date of this act, regardless of whether any provision of the rental agreement conflicts with the amendatory provisions of this act.
- Sec. 28. NRS 118A.240 is hereby repealed.
- 16 **Sec. 29.** This act becomes effective upon passage and 17 approval.

### TEXT OF REPEALED SECTION

## 118A.240 "Security deposit" defined.

- 1. Any payment, deposit, fee or charge that is to be used for any of the following purposes is a "security deposit" and is governed by the provisions of this section and NRS 118A.242 and 118A.244:
  - (a) Remedying any default of the tenant in the payments of rent.
- (b) Repairing damages to the premises other than normal wear caused by the tenant.
  - (c) Cleaning the dwelling unit.
  - 2. "Security deposit" does not include:
- (a) Any payment, deposit or fee to secure an option to purchase the premises; or
- (b) Any payment to a corporation qualified under the laws of this State as a surety, guarantor or obligator for a premium paid to secure a surety bond or a similar bond, guarantee or insurance coverage for purposes of securing a tenant's obligations to a landlord as described in NRS 118A.242.





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