

# LANDLORD TENANT

## Landlords Under Attack

A myriad of measures were introduced this Session focusing on growing tenants' rights, sometimes to the detriment of property rights. The NVAR Lobbying Team was at the forefront of all discussions and was able to fend off some harmful legislation for landlords and property managers across the State. Here's a few examples of what was proposed and defeated.

## Doubling of Eviction Timeframes

One of the measures that resurfaced a few times was that of the extension of timeframes when a tenant becomes guilty of unlawful detainer in various circumstances, as well as that of summary eviction orders being delayed past the current 24 hours after the sheriff receives the order. Your Lobbying Team worked long and hard to defeat those proposals, and we are happy to report none of those bills became law.

## Vacant Properties Database

There was also a proposal to allow cities to create vacant properties database that included requiring a fee for registration, and a sign on the property stating it was vacant. Needless to say, NVAR opposed the legislation, and we are glad to report that it did not pass.

## Cap on Late Fees

There was a proposal that would have capped in statute the amount a landlord can charge in late fees to 5% of rent, and would not have allowed a landlord to deduct the late fee from subsequent rent payments. During the process of going through the Assembly and Senate, the bill evolved to a cap on late fees of 7% and the ability to deduct the late

fees from rent payments was restored.

Eventually, the version that came up for a vote in the Senate did not have a cap on late fees, but did include language that the late fees needed to be reasonable. It also included some of the eviction timeframe provisions described earlier. The bill was defeated in the Senate, therefore there will be no cap on late fees a landlord may charge.

## Rent Control

Assemblyman Manendo introduced a bill that would have required a landlord of a manufactured home park to reduce the rent of tenants who meet certain eligibility requirements. The REALTORS opposed this bill, and the bill did not pass out of committee.

## Billing of Tenants for Utilities

In AB 58, a landlord who bills a tenant individually for utility charges derived from a utility bill that covers utility usage for multiple tenants would have had to provide each tenant with:

- a copy of the total utility bill; and,
- a statement that indicates the tenant's portion of the bill, explains how the amount was calculated, and itemizes the tenant's charges, including any fees charged by the landlord.

This bill did not pass out of committee.

## Security Deposits in Escrow Accounts

As a result of many tenants being unable to retrieve their security deposits once the rented property went into foreclosure, a proposal emerged to have landlords keep all security deposits in escrow accounts.

NVAR had a number of concerns with the bill, and worked long and hard with the bill sponsor to address all of them. In the end, the bill did not pass out of committee.

## Surety Bonds

Surety bonds are an alternative to security deposits to provide security to a landlord. As of October 1, 2009, a landlord **may allow** a tenant to provide the landlord with a surety bond to cover the amount of security demanded by the landlord. A landlord is not required to accept a surety bond, and may not require a tenant to provide a surety bond in place of security.

## Abandoned Property on Commercial Premises

Starting October 1, 2009, when a rental agreement has been terminated, a commercial landlord may dispose of any abandoned property left on the commercial premises without incurring any civil or criminal liability if appropriate notification was done, and may charge the actual costs incurred doing so to the tenant.

For a topic by topic summary or the comprehensive legislative report, please visit [www.nvar.org](http://www.nvar.org).



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