

ASSEMBLY BILL NO. 404—ASSEMBLYWOMAN LESLIE

MARCH 24, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Removes exemption for certain landlords from provisions relating to landlords and tenants and exempts certain landlords from requirements for state business license. (BDR 10-646)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to residential leasing; removing the exemption for landlords who own and personally manage four or fewer dwelling units from provisions relating to landlords and tenants; exempting from the requirements for a state business license natural persons whose sole business is the rental of four or fewer dwelling units to others; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 118A.180 is hereby amended to read as
2 follows:
3 118A.180 1. Except as *otherwise* provided in subsection 2,
4 this chapter applies to, regulates and determines rights, obligations
5 and remedies under a rental agreement, wherever made, for a
6 dwelling unit or premises located within this State.
7 2. This chapter does not apply to:
8 (a) A rental agreement subject to the provisions of chapter 118B
9 of NRS;
10 (b) Low-rent housing programs operated by public housing
11 authorities and established pursuant to the United States Housing
12 Act of 1937, 42 U.S.C. §§ 1437 et seq.;



(c) ~~[(A) A person who owns and personally manages four or fewer dwelling units, except with respect to the provisions of NRS 118A.200, 118A.300, 118A.325, 118A.340, 118A.380, 118A.450 and 118A.460;~~

~~[(d)]~~ Residence in an institution, public or private, incident to detention or the provision of medical, geriatric, educational, counseling, religious or similar service;

~~[(e)]~~ (d) Occupancy under a contract of sale of a dwelling unit or the property of which it is a part, if the occupant is the purchaser or his successor in interest;

~~[(f)]~~ (e) Occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of the organization;

~~[(g)]~~ (f) Occupancy in a hotel or motel for less than 30 consecutive days unless the occupant clearly manifests an intent to remain for a longer continuous period;

~~[(h)]~~ (g) Occupancy by an employee of a landlord whose right to occupancy is solely conditional upon employment in or about the premises;

~~[(i)]~~ (h) Occupancy by an owner of a condominium unit or by a holder of a proprietary lease in a cooperative apartment; or

~~[(j)]~~ (i) Occupancy under a rental agreement covering premises used by the occupant primarily for agricultural purposes.

Sec. 2. NRS 360.765 is hereby amended to read as follows:

360.765 1. ~~["Business"]~~ *Except as otherwise provided in subsection 2, "business" includes:*

(a) A corporation, partnership, proprietorship, limited-liability company, business association, joint venture, limited-liability partnership, business trust and their equivalents organized under the laws of this State or another jurisdiction and any other person that conducts an activity for profit; and

(b) ~~[(The activities)]~~ *Any activity* of a natural person ~~[which are deemed to be a business pursuant to NRS 360.785.]~~ *for which the person is required to file with the Internal Revenue Service a Schedule C (Form 1040), Profit or Loss From Business Form, or its equivalent or successor form, a Schedule E (Form 1040), Supplemental Income and Loss Form, or its equivalent or successor form, or a Schedule F (Form 1040), Profit or Loss From Farming Form, or its equivalent or successor form.*

2. The term does not include:

(a) A governmental entity.

(b) A nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).



(c) A person who operates a business from his home and earns from that business not more than 66 2/3 percent of the average annual wage, as computed for the preceding calendar year pursuant to chapter 612 of NRS and rounded to the nearest hundred dollars.

(d) *A natural person whose sole business is the rental of four or fewer dwelling units to others.*

(e) A business whose primary purpose is to create or produce motion pictures. As used in this paragraph, "motion pictures" has the meaning ascribed to it in NRS 231.020.

Sec. 3. NRS 360.785 is hereby repealed.

TEXT OF REPEALED SECTION

360.785 Activities of natural person constituting business.

The activity or activities conducted by a natural person shall be deemed to be a business that is subject to the provisions of NRS 360.760 to 360.795, inclusive, if the person is required to file with the Internal Revenue Service a Schedule C (Form 1040), Profit or Loss From Business Form, or its equivalent or successor form, a Schedule E (Form 1040), Supplemental Income and Loss Form, or its equivalent or successor form, or a Schedule F (Form 1040), Profit or Loss From Farming Form, or its equivalent or successor form, for the business.



