

SENATE BILL NO. 159—SENATOR RATTI

MARCH 1, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to real property.
(BDR 9-631)

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 real property; establishing procedures relating to the finality of a nonjudicial foreclosure sale of a single-family residence; requiring the trustee of a single-family residence sold at a nonjudicial foreclosure sale to maintain an Internet website and telephone number under certain circumstances; prohibiting the bundling of multiple properties for the purpose of a nonjudicial foreclosure sale; revising the information required to be contained in a notice of a nonjudicial foreclosure sale that is sent to the tenants and subtenants of a single-family residence; increasing the civil penalty for failing to maintain a vacant property acquired through a residential foreclosure; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes various procedures related to nonjudicial foreclosure sales. (Chapter 107 of NRS) **Sections 2-8** of this bill temporarily make certain changes to such procedures for a period starting on July 1, 2021, and ending on June 30, 2026. **Section 11** of this bill eliminates the temporary changes on July 1, 2026, by reestablishing the existing statutory scheme for nonjudicial foreclosure sales of real property.

Existing law requires a property subject to nonjudicial foreclosure to be sold at an auction to the highest bidder. (NRS 107.081) **Section 6** of this bill prohibits such properties from being bundled together with other properties for the purpose of sale at the auction and requires each property to be bid on separately.

Section 2 of this bill provides that a nonjudicial foreclosure sale of a single-family residence is not final until the earliest of: (1) the date of the auction, if the highest bidder was a prospective owner-occupant; (2) 15 days after the auction, if



no bid on the property or notice of intent to make a bid is submitted to the trustee of the property by certain eligible persons; (3) the date that a representative of all of the eligible tenant buyers submits a bid to the trustee of the property; or (4) the 45th day following the date of the auction. **Section 2** also establishes procedures for the submission by certain eligible persons of a bid or notice of intent to submit a bid and the acceptance thereof.

Section 3 of this bill provides that if the highest bid for a single-family residence at a nonjudicial foreclosure sale was not that of a prospective owner-occupant, the trustee is required to maintain an Internet website and telephone number for not less than 45 days after the date of the auction for the purpose of providing certain information related to the sale.

Existing law requires a notice of the sale of a single-family residence subject to nonjudicial foreclosure containing certain information to be sent to any tenants or subtenants of the property. (NRS 107.087) **Section 8** of this bill requires the notice also to contain certain information relating to the procedures established in **sections 2 and 3**. **Section 10** of this bill requires a new notice to be sent which conforms to the amendatory provisions of **section 8** if the notice required by existing law was sent before July 1, 2021, but the sale of the property had not occurred as of that date.

Section 4 of this bill defines certain terms relating to the temporary provisions concerning nonjudicial foreclosures of single-family residences. **Sections 5 and 7** of this bill make conforming changes relating to the temporary provisions.

Existing law requires a person who purchases or acquires a vacant residential property through judicial or nonjudicial foreclosure to maintain the property in accordance with certain standards. Existing law provides that a person who fails to maintain the property in accordance with such standards may be subject to a civil penalty of not more than \$1,000 per day. (NRS 40.464) **Section 9** of this bill increases the maximum civil penalty to \$2,000 per day for the first 30 days and \$5,000 per day thereafter.

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

Section 1. Chapter 107 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *The sale of property sold as a residential foreclosure is not final until the earliest of the following:*

(a) The date of the auction, if a prospective owner-occupant, as attested to in an affidavit submitted to the trustee, is the highest bidder at the auction;

(b) Fifteen days after the auction, if no eligible tenant buyers or eligible bidders submits to the trustee:

(1) The materials described in subsection 2 or 3, as applicable; or

(2) A nonbinding, written notice of intent to place a bid described in subsection 2 or 3, as applicable;

(c) The date that the representative of all the eligible tenant buyers submits the materials described in subsection 2 to the trustee; or



(d) *The 45th day following the date of the auction at 5 p.m.*

2. *A representative of all the eligible tenant buyers may submit a bid in an amount equal to the highest bid at the auction in the form of cash or a cashier's check. The bid must be submitted in accordance with subsection 7 and be accompanied by an affidavit stating that the persons so represented are eligible tenant buyers.*

3. *An eligible bidder may submit a bid in an amount that exceeds the highest bid at the auction in the form of cash or a cashier's check. The bid must be submitted in accordance with subsection 7 and be accompanied by an affidavit stating that the person bidding is an eligible bidder.*

4. *A bid submitted on behalf of all the eligible tenant buyers pursuant to subsection 2 shall be deemed the highest bid for purposes of the power of sale exercised pursuant to NRS 107.080 and the trustee shall return all other bids.*

5. *As of 5 p.m. on the 45th day following the date of the auction, if one or more eligible bidders has submitted the materials described in subsection 3:*

(a) *The eligible bidder that submitted the highest bid shall be deemed the highest bidder for purposes of the power of sale exercised pursuant to NRS 107.080; and*

(b) *The trustee shall return all other bids.*

6. *A written notice of intent to place a bid, as described in paragraph (b) of subsection 1, must be:*

(a) *Sent to the trustee by certified mail, overnight delivery or any other method that allows for confirmation of the date of delivery; and*

(b) *Received by the trustee not later than 15 days after the date of the auction.*

7. *The bids and affidavits described in subsections 2 and 3, respectively, must be:*

(a) *Sent to the trustee by certified mail, overnight delivery or any other method that allows for confirmation of the date of delivery; and*

(b) *Received by the trustee not later than 5 p.m. on the 45th day following the date of the auction.*

8. *A trustee may reasonably rely on any affidavit submitted pursuant to paragraph (a) of subsection 1 or subsection 2 or 3.*

9. *The sale of property to a prospective owner-occupant is not rendered invalid if the prospective owner-occupant is unable to occupy the real property as his or her primary residence within 60 days after the sale being recorded pursuant to NRS 107.080 due to his or her compliance with any applicable law for the eviction of a tenant or subtenant from the property.*



Sec. 3. 1. If the highest bid for a property sold as a residential foreclosure was not that of a prospective owner-occupant, not later than 48 hours after the auction the trustee or an authorized agent of the trustee shall make the following information available, free of charge, through an Internet website and telephone number maintained by the trustee for a period not less than 45 days beginning on the date of the auction:

- (a) The date of the auction;**
- (b) The amount of the highest bid at the auction; and**
- (c) An address at which the trustee can receive the documents described in section 2 of this act.**

2. The telephone number maintained by the trustee must have a recording that is accessible 24 hours a day, 7 days a week.

3. Any disruption to the Internet website or telephone number maintained by the trustee due to reasonable maintenance or a service outage must not be construed as a violation of this section.

Sec. 4. NRS 107.015 is hereby amended to read as follows:
107.015 **1.** As used in this chapter:

~~[1-]~~ **(a)** "Association" and "unit-owners' association" have the meanings ascribed to them in NRS 116.011.

~~[2-]~~ **(b)** "Beneficiary" means the beneficiary of the deed of trust or the successor in interest of the beneficiary or any person designated or authorized to act on behalf of the beneficiary or its successor in interest.

~~[3-]~~ **(c)** "Cooperative" has the meaning ascribed to it in NRS 116.031.

~~[4-]~~ **(d) "Eligible bidder" means any of the following:**

- (1) An eligible tenant buyer;**
- (2) A prospective owner-occupant;**
- (3) A nonprofit association, nonprofit corporation or cooperative corporation in which an eligible tenant buyer or a prospective owner-occupant is a voting member or director;**
- (4) A nonprofit corporation based in this State whose primary activity is the development and preservation of affordable rental housing;**
- (5) A limited partnership in which the managing general partner is a nonprofit corporation based in this State whose primary activity is the development and preservation of affordable housing;**
- (6) A limited liability company in which the managing member is a nonprofit corporation based in this State whose primary activity is the development and preservation of affordable rental housing;**
- (7) A community land trust, as defined in NRS 82.106; or**



(8) *This State or a political subdivision thereof, the Board of Regents of the University of Nevada or any other governmental entity or agency of this State.*

(e) *"Eligible tenant buyer" means a natural person who at the time of the sale of the real property pursuant to NRS 107.080:*

(1) *Is occupying the real property as his or her primary residence;*

(2) *Is occupying the real property under a rental or lease agreement entered into as the result of an arm's length transaction with the trustor on a date before the recording of the notice of default and election to sell pursuant to NRS 107.080; and*

(3) *Is not the trustor, or the child, spouse or parent of the trustor.*

(f) "Facsimile machine" means a device which receives and copies a reproduction or facsimile of a document or photograph which is transmitted electronically or telephonically by telecommunications lines.

~~[5-]~~ (g) "Noncommercial lender" means a lender which makes a loan secured by a deed of trust on owner-occupied housing and which is not a bank, financial institution or other entity regulated pursuant to title 55 of NRS.

~~[6-]~~ (h) "Owner-occupied housing" means housing that is occupied by an owner as the owner's primary residence. The term does not include vacant land or any time share or other property regulated under chapter 119A of NRS.

~~[7-]~~ (i) "Person with an interest" means any person who has or claims any right, title or interest in, or lien or charge upon, the real property described in a deed of trust, as evidenced by any document or instrument recorded in the office of the county recorder of the county in which any part of the real property is situated.

~~[8-]~~ (j) "Proprietary lease" has the meaning ascribed to it in NRS 116.077.

~~[9-]~~ (k) *"Prospective owner-occupant" means a natural person who:*

(1) *Will occupy the real property as his or her primary residence within 60 days after the trustee's deed upon sale being recorded pursuant to NRS 107.080;*

(2) *Will maintain his or her occupancy as described in subparagraph (1) for not less than 1 year;*

(3) *Is not the trustor, or the child, spouse or parent of the trustor; and*

(4) *Is not acting as the agent of any other person or entity in purchasing the real property.*

(l) "Residential foreclosure" means the sale of a single-family residence under a power of sale granted by NRS 107.0805.



~~{10-}~~ (m) "Sale in lieu of a foreclosure sale" has the meaning ascribed to it in NRS 40.429.

~~{11-}~~ (n) "Single-family residence" means a structure that is comprised of not more than four units. The term does not include vacant land or any time share or other property regulated under chapter 119A of NRS.

~~{12-}~~ (o) "Surety" means a corporation authorized to transact surety business in this State pursuant to NRS 679A.030 that:

~~{a-}~~ (1) Is included in the United States Department of the Treasury's Listing of Approved Sureties; and

~~{b-}~~ (2) Issues a surety bond pursuant to this section that does not exceed the underwriting limitations established for that surety by the United States Department of the Treasury.

~~{13-}~~ (p) "Surety bond" means a bond issued by a surety for the reconveyance of a deed of trust pursuant to this section.

~~{14-}~~ (q) "Title insurer" has the meaning ascribed to it in NRS 692A.070.

~~{15-}~~ (r) "Trustee" means the trustee of record.

~~{16-}~~ (s) "Unit" has the meaning ascribed to it in NRS 116.093.

2. *Nothing in this section shall be construed to prevent an eligible tenant buyer from also qualifying as a prospective-owner occupant.*

Sec. 5. NRS 107.080 is hereby amended to read as follows:

107.080 1. Except as otherwise provided in NRS 106.210, 107.0805, 107.085 and 107.086, if any transfer in trust of any estate in real property is made after March 29, 1927, to secure the performance of an obligation or the payment of any debt, a power of sale is hereby conferred upon the trustee to be exercised after a breach of the obligation for which the transfer is security.

2. The power of sale must not be exercised, however, until:

(a) In the case of any deed of trust coming into force:

(1) On or after July 1, 1949, and before July 1, 1957, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a period of 15 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance or payment; or

(2) On or after July 1, 1957, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a period of 35 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance or payment.

(b) The beneficiary, the successor in interest of the beneficiary or the trustee first executes and causes to be recorded in the office of



1 the recorder of the county wherein the trust property, or some part
2 thereof, is situated a notice of the breach and of the election to sell
3 or cause to be sold the property to satisfy the obligation.

4 (c) The beneficiary or its successor in interest or the servicer of
5 the obligation or debt secured by the deed of trust has instructed the
6 trustee to exercise the power of sale with respect to the property.

7 (d) Not less than 3 months have elapsed after the recording of
8 the notice.

9 3. The 15- or 35-day period provided in paragraph (a) of
10 subsection 2 commences on the first day following the day upon
11 which the notice of default and election to sell is recorded in the
12 office of the county recorder of the county in which the property is
13 located and a copy of the notice of default and election to sell is
14 mailed by registered or certified mail, return receipt requested and
15 with postage prepaid to the grantor or, to the person who holds the
16 title of record on the date the notice of default and election to sell is
17 recorded, and, if the property is operated as a facility licensed under
18 chapter 449 of NRS, to the State Board of Health, at their respective
19 addresses, if known, otherwise to the address of the trust property
20 or, if authorized by the parties, delivered by electronic transmission.
21 The notice of default and election to sell must describe the
22 deficiency in performance or payment and may contain a notice of
23 intent to declare the entire unpaid balance due if acceleration is
24 permitted by the obligation secured by the deed of trust, but
25 acceleration must not occur if the deficiency in performance or
26 payment is made good and any costs, fees and expenses incident to
27 the preparation or recordation of the notice and incident to the
28 making good of the deficiency in performance or payment are paid
29 within the time specified in subsection 2.

30 4. The trustee, or other person authorized to make the sale
31 under the terms of the deed of trust, shall, after expiration of the
32 applicable period specified in paragraph (d) of subsection 2
33 following the recording of the notice of breach and election to sell,
34 and before the making of the sale, give notice of the time and place
35 thereof by recording the notice of sale and by:

36 (a) Providing the notice to each trustor, any other person entitled
37 to notice pursuant to this section and, if the property is operated as a
38 facility licensed under chapter 449 of NRS, the State Board of
39 Health, by personal service, by electronic transmission if authorized
40 by the parties or by mailing the notice by registered or certified mail
41 to the last known address of the trustor and any other person entitled
42 to such notice pursuant to this section;

43 (b) Posting a similar notice particularly describing the property,
44 for 20 days successively, in a public place in the county where the
45 property is situated; and



(c) Publishing a copy of the notice three times, once each week for 3 consecutive weeks, in a newspaper of general circulation in the county where the property is situated or, if the property is a time share, by posting a copy of the notice on an Internet website and publishing a statement in a newspaper in the manner required by subsection 3 of NRS 119A.560.

5. Every sale made under the provisions of this section and other sections of this chapter vests in the purchaser the title of the grantor and any successors in interest without equity or right of redemption. Except as otherwise provided in subsection 7, a sale made pursuant to this section must be declared void by any court of competent jurisdiction in the county where the sale took place if:

(a) The trustee or other person authorized to make the sale does not substantially comply with the provisions of this section;

(b) Except as otherwise provided in subsection 6, an action is commenced in the county where the sale took place within 30 days after the date on which the trustee's deed upon sale is recorded pursuant to subsection 10 in the office of the county recorder of the county in which the property is located; and

(c) A notice of lis pendens providing notice of the pendency of the action is recorded in the office of the county recorder of the county where the sale took place within 5 days after commencement of the action.

6. If proper notice is not provided pursuant to subsection 3 or paragraph (a) of subsection 4 to the grantor, to the person who holds the title of record on the date the notice of default and election to sell is recorded, to each trustor or to any other person entitled to such notice, the person who did not receive such proper notice may commence an action pursuant to subsection 5 within 90 days after the date ~~that~~ the sale ~~became final pursuant to NRS 107.081 or section 2 of this act, as applicable.~~

7. Upon expiration of the time for commencing an action which is set forth in subsections 5 and 6, any failure to comply with the provisions of this section or any other provision of this chapter does not affect the rights of a bona fide purchaser as described in NRS 111.180.

8. If, in an action brought by the grantor or the person who holds title of record in the district court in and for the county in which the real property is located, the court finds that the beneficiary, the successor in interest of the beneficiary or the trustee did not comply with any requirement of subsection 2, 3 or 4, the court must award to the grantor or the person who holds title of record:

(a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;



(b) An injunction enjoining the exercise of the power of sale until the beneficiary, the successor in interest of the beneficiary or the trustee complies with the requirements of subsections 2, 3 and 4; and

(c) Reasonable attorney's fees and costs, unless the court finds good cause for a different award. The remedy provided in this subsection is in addition to the remedy provided in subsection 5.

9. The sale or assignment of a proprietary lease in a cooperative vests in the purchaser or assignee title to the ownership interest and votes in the cooperative association which accompany the proprietary lease.

10. After a sale of property is conducted pursuant to this section, the trustee shall:

(a) Within 30 days after the date ~~that~~ the sale ~~is~~ *became final pursuant to NRS 107.081 or section 2 of this act, as applicable*, record the trustee's deed upon sale in the office of the county recorder of the county in which the property is located; or

(b) Within 20 days after the date ~~that~~ the sale ~~is~~ *became final pursuant to NRS 107.081 or section 2 of this act, as applicable*, deliver the trustee's deed upon sale to the successful bidder. Within 10 days after the date of delivery of the deed by the trustee, the successful bidder shall record the trustee's deed upon sale in the office of the county recorder of the county in which the property is located.

11. Within 5 days after recording the trustee's deed upon sale, the trustee or successful bidder, whoever recorded the trustee's deed upon sale pursuant to subsection 10, shall cause a copy of the trustee's deed upon sale to be posted conspicuously on the property. The failure of a trustee or successful bidder to effect the posting required by this subsection does not affect the validity of a sale of the property to a bona fide purchaser for value without knowledge of the failure.

12. If the successful bidder fails to record the trustee's deed upon sale pursuant to paragraph (b) of subsection 10, the successful bidder:

(a) Is liable in a civil action to any party that is a senior lienholder against the property that is the subject of the sale in a sum of up to \$500 and for reasonable attorney's fees and the costs of bringing the action; and

(b) Is liable in a civil action for any actual damages caused by the failure to comply with the provisions of subsection 10 and for reasonable attorney's fees and the costs of bringing the action.

13. The county recorder shall, in addition to any other fee, at the time of recording a notice of default and election to sell collect:



(a) A fee of \$150 for deposit in the State General Fund.

(b) A fee of \$95 for deposit in the Account for Foreclosure Mediation Assistance, which is hereby created in the State General Fund. The Account must be administered by the Interim Finance Committee and the money in the Account may be expended only for the purpose of:

(1) Supporting a program of foreclosure mediation; and

(2) The development and maintenance of an Internet portal for a program of foreclosure mediation pursuant to subsection 16 of NRS 107.086.

(c) A fee of \$5 to be paid over to the county treasurer on or before the fifth day of each month for the preceding calendar month. The county recorder may direct that 1.5 percent of the fees collected by the county recorder pursuant to this paragraph be transferred into a special account for use by the office of the county recorder. The county treasurer shall remit quarterly to the organization operating the program for legal services that receives the fees charged pursuant to NRS 19.031 for the operation of programs for the indigent all the money received from the county recorder pursuant to this paragraph.

14. The fees collected pursuant to paragraphs (a) and (b) of subsection 13 must be paid over to the county treasurer by the county recorder on or before the fifth day of each month for the preceding calendar month, and, except as otherwise provided in this subsection, must be placed to the credit of the State General Fund or the Account for Foreclosure Mediation Assistance as prescribed pursuant to subsection 13. The county recorder may direct that 1.5 percent of the fees collected by the county recorder be transferred into a special account for use by the office of the county recorder. The county treasurer shall, on or before the 15th day of each month, remit the fees deposited by the county recorder pursuant to this subsection to the State Controller for credit to the State General Fund or the Account as prescribed in subsection 13.

15. The beneficiary, the successor in interest of the beneficiary or the trustee who causes to be recorded the notice of default and election to sell shall not charge the grantor or the successor in interest of the grantor any portion of any fee required to be paid pursuant to subsection 13.

Sec. 6. NRS 107.081 is hereby amended to read as follows:

107.081 1. ~~[AHH]~~ *Except as otherwise provided in section 2 of this act, all* sales of property pursuant to NRS 107.080 must be made at auction, *are deemed final* to the highest bidder and must be made between the hours of 9 a.m. and 5 p.m. The agent holding the sale must not become a purchaser at the sale or be interested in any purchase at such a sale.



2. All sales of real property must be made at the public location in the county designated by the governing body of the county for that purpose.

3. Notwithstanding any other provision of law and except as otherwise provided in a deed of trust, a trustee shall not bundle multiple real properties for the purpose of sale and each property must be bid on separately.

Sec. 7. NRS 107.083 is hereby amended to read as follows:

107.083 1. If a purchaser refuses to pay the amount the purchaser bid for the property ~~[struck off at a sale pursuant to NRS 107.080.] pursuant to NRS 107.081 or section 2 of this act, as applicable,~~ the agent may again sell the property ~~[to the highest bidder.] in accordance with NRS 107.081 and section 2 of this act,~~ after again giving the notice previously provided.

2. If any loss is incurred from the purchaser refusing to pay the amount of the bid, the agent may recover the amount of the loss, with costs, for the benefit of the party aggrieved, by motion upon previous notice of 5 days to the purchaser, before any court of competent jurisdiction.

3. The court shall proceed in a summary manner in the hearing and disposition of such a motion, and give judgment and issue execution therefor forthwith, but the refusing purchaser may request a jury. The same proceedings may be had against any subsequent purchaser who refuses to pay, and the agent may, in the agent's discretion, thereafter reject the bid of any person so refusing.

4. An agent is not liable for any amount other than the amount bid by the second or subsequent purchaser and the amount collected from the purchaser who refused to pay.

Sec. 8. NRS 107.087 is hereby amended to read as follows:

107.087 1. In addition to the requirements of NRS 107.080, if the sale of property is a residential foreclosure, a copy of the notice of default and election to sell and the notice of sale must:

(a) Be posted in a conspicuous place on the property not later than:

(1) For a notice of default and election to sell, 100 days before the date of sale; or

(2) For a notice of sale, 15 days before the date of sale; and

(b) Include, without limitation:

(1) The physical address of the property; and

(2) The contact information of the trustee or the person conducting the foreclosure who is authorized to provide information relating to the foreclosure status of the property.

2. In addition to the requirements of NRS 107.084, the notices must not be defaced or removed until the transfer of title is recorded



1 or the property becomes occupied after completion of the sale,
2 whichever is earlier.

3 3. A separate notice must be posted in a conspicuous place on
4 the property and mailed, with a certificate of mailing issued by the
5 United States Postal Service or another mail delivery service, to any
6 tenant or subtenant, if any, other than the grantor or the grantor's
7 successor in interest, in actual occupation of the premises not later
8 than 15 days before the date of sale. The separate notice must be in
9 substantially the following form:

10
11 NOTICE TO TENANTS OF THE PROPERTY
12

13 Foreclosure proceedings against this property have started,
14 and a notice of sale of the property to the highest bidder has
15 been issued.
16

17 *You may have the right to purchase this property pursuant*
18 *to section 2 of this act after its sale. If you are an eligible*
19 *tenant buyer you may be able to purchase the property if*
20 *you match the highest bid placed at the sale. If you are an*
21 *eligible bidder you may be able to purchase the property if*
22 *you exceed the highest bid placed at the sale. There are*
23 *three steps to exercising this right of purchase. First, 48*
24 *hours after the date of the sale, you can call [insert*
25 *telephone number described in section 3 of this act] or visit*
26 *this Internet website [insert Internet website described in*
27 *section 3 of this act] using the file number assigned to this*
28 *case [insert file number for case] to find the date on which*
29 *the sale was held, the amount of the highest bid and the*
30 *address of the trustee. Second, you must send a written*
31 *notice of intent to place a bid so that the trustee receives it*
32 *not more than 15 days after the sale. Third, you must submit*
33 *a bid so that the trustee receives it not more than 45 days*
34 *after the sale. If you believe that you may qualify as an*
35 *eligible tenant buyer or eligible bidder, you should consider*
36 *contacting an attorney or appropriate real estate*
37 *professional immediately for advice regarding this potential*
38 *right to purchase.*
39

40 ~~[You]~~ **Additionally, you** may either: (1) terminate your lease
41 or rental agreement and move out; or (2) remain and possibly
42 be subject to eviction proceedings under chapter 40 of the
43 Nevada Revised Statutes. Any subtenants may also be subject
44 to eviction proceedings.



Between now and the date of the sale, you may be evicted if you fail to pay rent or live up to your other obligations to the landlord.

After the date of the sale, you may be evicted if you fail to pay rent or live up to your other obligations to the successful bidder, in accordance with chapter 118A of the Nevada Revised Statutes.

Under the Nevada Revised Statutes eviction proceedings may begin against you after you have been given a notice to surrender.

If the property is sold and you pay rent by the week or another period of time that is shorter than 1 month, you should generally receive notice after not less than the number of days in that period of time.

If the property is sold and you pay rent by the month or any other period of time that is 1 month or longer, you should generally receive notice at least 60 days in advance.

Under Nevada Revised Statutes 40.280, notice must generally be served on you pursuant to chapter 40 of the Nevada Revised Statutes.

If the property is sold and a landlord, successful bidder or subsequent purchaser files an eviction action against you in court, you will be served with a summons and complaint and have the opportunity to respond. Eviction actions may result in temporary evictions, permanent evictions, the awarding of damages pursuant to Nevada Revised Statutes 40.360 or some combination of those results.

Under the Justice Court Rules of Civil Procedure:

(1) You will be given at least 10 days to answer a summons and complaint;

(2) If you do not file an answer, an order evicting you by default may be obtained against you;

(3) A hearing regarding a temporary eviction may be called as soon as 11 days after you are served with the summons and complaint; and

(4) A hearing regarding a permanent eviction may be called as soon as 20 days after you are served with the summons and complaint.



4. The posting of a notice required by this section must be completed by a process server licensed pursuant to chapter 648 of NRS or any constable or sheriff of the county in which the property is located.

Sec. 9. NRS 40.464 is hereby amended to read as follows:

40.464 1. Any vacant residential property purchased or acquired by a person at a foreclosure sale must be maintained by that person in accordance with subsection 2.

2. In addition to complying with any other ordinance or rule as required by the applicable governmental entity, the purchaser shall care for the exterior of the property, including, without limitation:

(a) Limiting the excessive growth of foliage which would otherwise diminish the value of that property or of the surrounding properties;

(b) Preventing trespassers from remaining on the property;

(c) Preventing mosquito larvae from growing in standing water; and

(d) Preventing any other condition that creates a public nuisance.

3. If a person violates subsection 2, the applicable governmental entity shall mail to the last known address of the person, by certified mail, a notice:

(a) Describing the violation;

(b) Informing the person that a civil penalty may be imposed pursuant to this section unless the person acts to correct the violation within 14 days after the date of receipt of the notice and completes the correction within 30 days after the date of receipt of the notice; and

(c) Informing the person that the person may contest the allegation pursuant to subsection 4.

4. If a person, within 5 days after a notice is mailed to the person pursuant to subsection 3, requests a hearing to contest the allegation of a violation of subsection 2, the applicable governmental entity shall apply for a hearing before a court of competent jurisdiction.

5. Except as otherwise provided in subsection 8, in addition to any other penalty, the applicable governmental entity may impose a civil penalty of not more than ~~[\$1,000]~~ **\$2,000** per day for *the first 30 days and not more than \$5,000 per day thereafter for* a violation of subsection 2:

(a) Commencing on the day following the expiration of the period of time described in subsection 3; or

(b) If the person requested a hearing pursuant to subsection 4, commencing on the day following a determination by the court in favor of the applicable governmental entity.



6. The applicable governmental entity may waive or extend the period of time described in subsection 3 if:

(a) The person to whom a notice is sent pursuant to subsection 3 makes a good faith effort to correct the violation; and

(b) The violation cannot be corrected in the period of time described in subsection 3.

7. Any penalty collected by the applicable governmental entity pursuant to this section must be directed to local nuisance abatement programs.

8. The applicable governmental entity may not assess any penalty pursuant to this section in addition to any penalty prescribed by a local ordinance. This section shall not be deemed to preempt any local ordinance.

9. If the applicable governmental entity assesses any penalty pursuant to this section, any lien related thereto must be recorded in the office of the county recorder.

10. As used in this section, “applicable governmental entity” means:

(a) If the property is within the boundaries of a city, the governing body of the city; and

(b) If the property is not within the boundaries of a city, the board of county commissioners of the county in which the property is located.

Sec. 10. If a notice described in subsection 3 of NRS 107.087 is sent to a tenant or subtenant before July 1, 2021, but the property has not been sold as of that date, a second notice which complies with the amendatory provisions of subsection 3 of section 8 of this act must be sent to the tenant or subtenant, as applicable, before the date of the sale. If the second notice is received before the date of the sale, the requirement that the notice be sent not later than 15 days before the sale shall be determined by the date of the original notice.

Sec. 11. 1. This act becomes effective on July 1, 2021.

2. Sections 2 to 8, inclusive, of this act expire by limitation on June 30, 2026.

