Assembly Bill No. 211–Assemblymember Considine

CHAPTER.....

AN ACT relating to property; requiring a county or city to require a property owner to repair or rehabilitate or abate certain conditions on a residential multifamily rental property under certain circumstances; establishing procedures relating to a property owner's failure to repair or rehabilitate or abate certain conditions on the residential multifamily rental property; authorizing certain local governments and persons to bring an action to require the repair or rehabilitation or abatement or appoint a receiver for substandard property in certain circumstances; establishing the powers and duties of a receiver appointed for substandard property; making various other changes relating to substandard properties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law: (1) requires a landlord to maintain a dwelling unit in a habitable condition at all times during the tenancy; and (2) provides that a dwelling unit is not habitable if it violates provisions of housing or health codes concerning the health, safety, sanitation or fitness for habitation. (NRS 118A.290)

Sections 8 and 27 of this bill provide that: (1) if a residential multifamily rental property is maintained in a way that violates any applicable habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety; and (2) as a result of the violation or violations, the condition of the residential multifamily rental property is of such a nature that the health and safety of residents or the public are substantially endangered, the appropriate department of the county or city, as applicable, is required to notify the owner and order that the owner repair or rehabilitate the property or abate the condition. **Sections 8 and 27** also set forth certain requirements for the notice.

Sections 9 and 28 of this bill provide that if the owner of the residential multifamily rental property fails to comply with the terms of the notice and summary order issued by the county or city, as applicable, certain actions may be brought to have the residential multifamily rental property declared to be a substandard property, including an action to have a receiver appointed to manage the repair or rehabilitation of the substandard property.

Sections 10 and 29 of this bill: (1) set forth certain findings and considerations that must be made by the district court in order to declare a residential multifamily rental property to be a substandard property; and (2) require an order issued by the district court declaring a residential multifamily rental property to be a substandard property to set forth the conditions that make the residential multifamily rental property a substandard property and the repairs, rehabilitations and abatements that are necessary to correct each violation of a habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety.

Sections 11 and 30 of this bill provide that if the district court finds that there is a condition of the substandard property which substantially endangers the health and safety of the residents, the district court must: (1) order the owner of the substandard property to pay all reasonable and actual costs of the board of county commissioners or governing body of the city, as applicable; (2) order that the board

of county commissioners or governing body of the city provide each tenant with notice of the judgment and court order; (3) under certain circumstances, order the owner to provide or pay certain relocation benefits and compensation to the tenants; (4) determine the date when a tenant has to relocate; and (5) make certain other orders.

Sections 12 and 31 of this bill set forth certain duties for a receiver appointed for a substandard property.

Sections 13 and 32 of this bill provide that a receiver appointed for a substandard property is entitled to the same fees, commissions and necessary expenses as a receiver in an action to foreclose a mortgage.

Sections 14 and 33 of this bill require a receiver appointed for a substandard property to prepare and submit monthly reports to the board of county commissioners or governing body of a city and the board of county commissioners or governing body of a city to submit the reports annually to the Director of the Legislative Counsel Bureau for transmittal to the Legislature or Legislative Commission.

Sections 15 and 34 of this bill: (1) require the district court to discharge the receiver for a substandard property under certain circumstances; and (2) authorize the district court to retain jurisdiction over the substandard property for a period of time not to exceed 18 consecutive months.

Sections 16 and 35 of this bill authorize the district court to require the owner of a substandard property to pay all unrecovered costs associated with the receivership.

Sections 17 and 36 of this bill provide that the remedies and penalties set forth in **sections 2-18 and 21-37** of this bill are cumulative, may not be abrogated and are in addition to any other remedies or penalties that may exist in law or equity.

Sections 18 and 37 provide that nothing in **sections 2-18 and 21-37** is intended to deprive any owner of a residential multifamily rental property or substandard property any right guaranteed by the United States Constitution or Nevada Constitution, including, without limitation, the right to due process.

Existing law authorizes a receiver to be appointed in certain actions and the Uniform Commercial Real Estate Receivership Act establishes provisions governing the appointment and powers of a receiver for real property. (NRS 32.010, 32.100-32.370) **Section 19** of this bill authorizes a receiver to be appointed in an action to have a residential multifamily rental property declared to be a substandard property that is brought pursuant to **section 10 or 29** to manage the repair or rehabilitation of the substandard property. **Sections 10 and 29** also clarify that the Uniform Commercial Real Estate Receivership Act and any rules adopted pursuant thereto by the Nevada Supreme Court apply to a receiver appointed pursuant to **section 10 or 29**, as applicable.

Sections 2-7 and 21-26 define certain terms used in the provisions of **sections 2-18 and 21-37**, respectively.

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

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

Section 1. Chapter 244 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 18, inclusive, of this act.

Sec. 2. ***As used in sections 2 to 18, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this act have the meanings ascribed to them in those sections.***

Sec. 3. ***"Dwelling unit" means a structure or the part of the structure that is occupied as, or designed or intended for occupancy as, a residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.***

Sec. 4. ***"Habitability standard" includes, without limitation:***

1. Any provision of an applicable housing or health code concerning the health, safety, sanitation or fitness for habitation of a dwelling unit; or

2. The requirements of chapter 118A of NRS relating to the habitability of a dwelling unit, including, without limitation, the provisions of subsection 1 of NRS 118A.290.

Sec. 5. ***"Receiver" means a receiver appointed by a district court as the court's agent, and subject to the court's direction, to take possession of, manage and, if authorized by court order, transfer, sell, lease, license, exchange, collect or otherwise dispose of receivership property in an action to declare a residential multifamily rental property to be a substandard property pursuant to section 10 of this act.***

Sec. 6. ***"Residential multifamily rental property" means a parcel of land in the unincorporated area of the county which is primarily used for personal, family or household purposes to which is affixed two or more dwelling units for occupancy by tenants on a rental basis.***

Sec. 7. ***"Substandard property" means a residential multifamily rental property that has been declared to be a substandard property by a district court pursuant to section 10 of this act.***

Sec. 8. ***1. If the appropriate department of a county finds that:***

(a) A residential multifamily rental property is maintained in a way that violates any applicable habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety; and

(b) As a result of the violation or violations described in paragraph (a), the condition of the residential multifamily rental property is of such a nature that the health and safety of residents or the public is substantially endangered,

➥ the county shall notify the owner of the residential multifamily rental property and order that the owner repair or rehabilitate the residential multifamily rental property or otherwise abate the condition.

2. Any notice and order issued pursuant to subsection 1:

(a) Must include, without limitation:

(1) The name, address and telephone number of the county department that issued the notice and summary order;

(2) The date, time and location of any public hearing or proceeding concerning the notice and summary order;

(3) A description of each violation of a habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety, as applicable;

(4) Any deadline by which the owner must repair or rehabilitate the residential multifamily rental property or otherwise abate the condition;

(5) A description of:

(I) The remedies authorized pursuant to section 9 of this act if the owner fails to comply with the terms of the notice and summary order;

(II) The judicial relief required and authorized to be granted pursuant to section 11 of this act; and

(III) The powers and duties of any appointed receiver pursuant to sections 12 to 16, inclusive, of this act; and

(6) A statement that the owner or lessor, if applicable, is prohibited from retaliating against any tenant pursuant to NRS 118A.510; and

(b) Must be posted in a conspicuous place on the residential multifamily rental property and mailed by certified mail to the owner and each affected resident of a dwelling unit on the residential multifamily rental property.

Sec. 9. *1. If the owner of a residential multifamily rental property fails to comply with the terms of the notice and summary order issued pursuant to section 8 of this act:*

(a) The county may bring an action to:

(1) Have the residential multifamily rental property declared by the district court to be a substandard property;

(2) Obtain a court order requiring the owner to repair or rehabilitate the residential multifamily rental property or otherwise abate the condition; and

(3) Have the district court impose a civil penalty against the owner of the residential multifamily rental property, as provided by ordinance; or

(b) The county or a nonprofit organization representing any tenant or tenant association may bring an action to:

(1) Have the residential multifamily rental property declared to be a substandard property; and

(2) Have a receiver appointed pursuant to NRS 32.010.

2. A party who intends to bring an action for the appointment of a receiver pursuant to paragraph (b) of subsection 1 shall:

(a) Not later than 30 days before filing such an action, provide notice of intent to bring the action by:

(1) Posting a notice in a conspicuous place on the residential multifamily rental property; and

(2) Mailing the notice to each person with a recorded interest in the residential multifamily rental property; and

(b) Provide with the court filing:

(1) Proof that the party provided the notice of intent to bring the action as required pursuant to paragraph (a); and

(2) If the party is a nonprofit organization representing a tenant or tenant association, an affidavit provided by the department of the county that issued the notice and summary order pursuant to section 8 of this act in support of the court filing which must include, without limitation, a history of communications and any documentation relating to the provisions of section 8 of this act. The department of the county shall cooperate and timely provide the affidavit upon request of a nonprofit organization representing a tenant or tenant association.

3. A party who brings an action pursuant to subsection 1 must serve each owner of the residential multifamily rental property in the manner provided by Rule 4 of the Nevada Rules of Civil Procedure.

4. The district court may award reasonable attorney's fees and costs to the prevailing party in an action brought pursuant to this section.

Sec. 10. *1. To declare a residential multifamily rental property to be a substandard property, the district court must find:*

(a) The residential multifamily rental property is maintained in a way that violates one or more applicable habitability standards, housing codes or building codes, or any statute or ordinance relating to habitability, building safety or fire safety; and

(b) The condition of the residential multifamily rental property that is caused by the violation or violations described in paragraph (a) is so extensive and of such a nature that the health and safety of the residents of the building or the public is substantially endangered.

2. In determining whether to appoint a receiver for a substandard property, the district court shall consider whether the owner of the substandard property has been afforded a reasonable opportunity to repair or rehabilitate the property or otherwise abate the condition.

3. The district court:

(a) Except as otherwise provided in paragraph (b), may appoint a nonprofit organization, community development corporation or other person as a receiver.

(b) Shall not appoint any nonprofit organization, community development corporation or person as a receiver unless the nonprofit organization, community development corporation or person has demonstrated to the district court the necessary capacity and expertise to develop and supervise a viable financial and construction plan for the satisfactory rehabilitation of the substandard property.

4. An order issued by a district court declaring a residential multifamily rental property to be a substandard property must, without limitation, set forth:

(a) The conditions found by the district court that make the residential multifamily rental property a substandard property; and

(b) The repairs, rehabilitations and abatements that the district court finds to be necessary in order to correct each violation of a habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety.

5. The provisions of NRS 32.100 to 32.370, inclusive, and any rules adopted by the Supreme Court pursuant to NRS 32.270 apply to any receiver appointed pursuant to this section for a substandard property.

Sec. 11. *1. If the district court finds that there is a condition of the substandard property which substantially endangers the health and safety of the residents of the*

substandard property, upon the entry of any order or judgment pursuant to section 10 of this act, the district court shall:

(a) Order the owner of the substandard property to pay all reasonable and actual costs of the board of county commissioners or its designee, including, without limitation, inspection costs, investigation costs, enforcement costs, attorney's fees and costs and all costs of prosecution.

(b) Order that the board of county commissioners or its designee shall provide each tenant of the substandard property with the notice of the district court order or judgment.

(c) Except as otherwise provided in subsection 4, if the conditions of the substandard property or the repair, rehabilitation or abatement thereof significantly affect the safe and sanitary use of the substandard property by any lawful tenant, such that the tenant cannot safely reside in the premises, order the owner to provide or pay relocation benefits to each lawful tenant. These benefits must consist of actual reasonable moving and storage costs and relocation compensation, including, without limitation, the costs and compensation for the following:

(1) Transportation of the personal property of the tenant to the new location. The new location must be in close proximity to the substandard property, except where relocation to a new location beyond a close proximity is determined by the district court to be justified.

(2) Packing, crating, unpacking and uncrating all personal property of the tenant.

(3) Insurance of the property of the tenant while in transit.

(4) The reasonable replacement value of any personal property lost, stolen or damaged, other than any personal property that was lost, stolen or damaged through the fault or negligence of the displaced tenant, or his or her agent or employee, in the process of moving, where insurance covering the loss, theft or damage is not reasonably available.

(5) The cost of disconnecting, dismantling, removing, reassembling, reconnecting and reinstalling machinery, equipment or other personal property of the tenant, including connection charges imposed by utility companies for starting utility service.

(6) Relocation compensation in an amount equal to the differential between the contract rent and the fair market rental value determined by the United States Department of Housing and Urban Development for a unit of comparable size within the area

for the period that the unit is being repaired or rehabilitated, for not more than 120 days.

(d) Determine the date when the tenant is to relocate, and order the tenant to notify the board of county commissioners or its designee and the owner of the dwelling unit of the address to which the tenant has relocated not more than 5 days after the relocation.

(e) Order that the owner of the substandard property offer the first right of occupancy of a dwelling unit to each tenant who received benefits pursuant to this section, before letting the dwelling unit for rent to a third party. Except as otherwise provided in this paragraph, the offer for first right of occupancy to the tenant must be in writing and sent by certified mail to the address given by the tenant at the time of relocation. If the owner has not been provided the address of the tenant by the tenant as required by this section, the owner is not required to offer the tenant the first right of occupancy. The tenant may accept the offer by giving the owner notice in writing by certified mail not later than 10 days after the owner mailed the offer.

(f) Order that if the owner fails to comply with any order issued pursuant to sections 2 to 18, inclusive, of this act, the court may:

(1) Sanction the person for civil contempt;

(2) Impose any penalty authorized pursuant to NRS 244.3603 as if the substandard property were a chronic nuisance; or

(3) Any other penalty provided by law.

2. If the district court finds that a tenant has been substantially responsible for causing or substantially contributing to the conditions found by the district court that make the residential multifamily rental property a substandard property, the court shall not grant to the tenant any relocation compensation or benefits.

3. Any tenant of the substandard property who has been ordered to relocate due to the conditions found by the district court that make the residential multifamily rental property a substandard property and who is not substantially responsible for causing or contributing to the condition must be paid these benefits and moving costs at the time that the tenant actually relocates.

4. If the district court finds that it is not possible to provide a tenant with the benefits described in paragraph (c) of subsection 1,

the district court may award such other equitable or declaratory relief as the court finds necessary.

Sec. 12. ***1. If the district court appoints a receiver for a substandard property pursuant to section 10 of this act, the owner of the substandard property, and any agent or employee of the owner, shall not collect rent from any tenant, interfere with the receiver in the operation of the substandard property or encumber or transfer any interest in the substandard property.***

2. Unless otherwise ordered by the district court, a receiver for a substandard property shall:

(a) Take full and complete control of the substandard property.

(b) Manage the substandard property and pay any expenses of the operation of the substandard property, including, without limitation, paying the taxes, insurance, utilities, general maintenance and debt secured by an interest in the substandard property.

(c) Secure a cost estimate and construction plan from a licensed contractor for the repairs, rehabilitation or abatement necessary to correct the conditions cited in the order issued pursuant to section 10 of this act.

(d) Upon securing a cost estimate and construction plan pursuant to paragraph (c) and submitting to and obtaining the authorization of the district court, enter into contracts and employ a licensed contractor as necessary to correct the conditions cited in the order issued pursuant to section 10 of this act. The district court may modify the cost estimate and construction plan as the court finds necessary.

(e) Collect all rents and income generated by the substandard property.

(f) Use all rents and income generated by the substandard property to pay for the cost of the repairs, rehabilitation or abatement determined by the district court to be necessary to correct the conditions cited in the order issued pursuant to section 10 of this act.

(g) Borrow money to pay for the repairs, rehabilitation or abatement necessary to correct the conditions cited in the order issued pursuant to section 10 of this act, borrow money to pay for any relocation benefits for tenants that are authorized pursuant to section 11 of this act and, with district court approval, secure that debt and any money owed to the receiver for services performed pursuant to this section with a lien on the residential multifamily rental property upon which the substandard property is situated.

The lien shall be recorded in the county recorder's office in the county wherein the substandard property is situated.

(h) To exercise any other power granted to a receiver pursuant to chapter 32 of NRS.

(i) Provide any relocation benefits to a tenant that are ordered by the court pursuant to section 11 of this act.

3. If the district court appoints as a receiver a nonprofit organization or community development corporation, in addition to the powers and duties that are granted pursuant to subsection 2, the nonprofit organization or community development corporation may apply for grants to assist in the rehabilitation of the substandard property.

Sec. 13. ***A receiver appointed pursuant to section 10 of this act is entitled to the same fees, commissions and necessary expenses as a receiver in an action to foreclose a mortgage.***

Sec. 14. ***1. In addition to any periodic reporting required by the district court, the receiver shall prepare and submit monthly reports relating to a substandard property to the board of county commissioners or its designee. The report to the board of county commissioners must include, without limitation:***

(a) The total amount of rent payments received from tenants of the substandard property;

(b) The nature and amount of any contract that is negotiated or entered into by the receiver relating to the operation, repair or rehabilitation of or the abatement of a condition at the substandard property;

(c) A record of payments made by the receiver relating to the operation, repair or rehabilitation of or the abatement of a condition at the substandard property;

(d) Information relating to the progress of the repair or rehabilitation of the substandard property or abatement of a condition at the substandard property; and

(e) A record of any amount paid to a tenant pursuant to section 12 of this act for relocation benefits.

2. On or before February 1 of each year, the board of county commissioners shall submit any report required by subsection 1 and received during the immediately preceding calendar year to the Director of the Legislative Counsel Bureau for transmittal to the Legislature or, if the Legislature is not in session, to the Legislative Commission.

Sec. 15. ***1. A district court must discharge the receiver appointed pursuant to section 10 of this act when the district court finds that:***

(a) The conditions set forth in the court order issued pursuant to section 10 of this act that made the residential multifamily rental property a substandard property have been properly repaired or abated; and

(b) A complete accounting of all costs relating to the operation, repair or rehabilitation of or abatement of a condition at the substandard property has been delivered to the district court.

2. Upon correction of the conditions that made the residential multifamily rental property a substandard property, the owner, the mortgagee or any lienholder may apply for the discharge of all money not used by the receiver for removal of the condition and all other costs.

3. After discharging the receiver, the district court may:

(a) Retain jurisdiction over the substandard property for a period of time not to exceed than 18 consecutive months; and

(b) Require the owner of the substandard property and the board of county commissioners or its designee to report to the district court on the substandard property in accordance with a schedule determined by the district court.

Sec. 16. ***Upon the request of a receiver, the district court may require the owner of the substandard property to pay all unrecovered costs associated with the receivership.***

Sec. 17. ***1. The remedies and penalties provided in sections 2 to 18, inclusive, of this act are cumulative, may not be abrogated and are in addition to any other remedies or penalties that may exist in law or equity, including, without limitation, any remedy or penalty that may be available pursuant to NRS 244.360 to 244.3607, inclusive.***

2. The provisions of sections 2 to 18, inclusive, of this act shall not be construed to limit those rights available to a landlord or tenant pursuant to any other provision of law.

Sec. 18. ***Nothing in the provisions of sections 2 to 18, inclusive, of this act is intended to deprive any owner of a residential multifamily rental property or substandard property any right guaranteed by the United States Constitution or the Nevada Constitution, including, without limitation, the right to due process.***

Sec. 19. NRS 32.010 is hereby amended to read as follows:

32.010 A receiver may be appointed by the court in which an action is pending, or by the judge thereof:

1. In an action by a vendor to vacate a fraudulent purchase of property, or by a creditor to subject any property or fund to the creditor's claim, or between partners or others jointly owning or

interested in any property or fund, on application of the plaintiff, or of any party whose right to or interest in the property or fund, or the proceeds thereof, is probable, and where it is shown that the property or fund is in danger of being lost, removed or materially injured.

2. In an action by a mortgagee for the foreclosure of the mortgage and sale of the mortgaged property, where it appears that the mortgaged property is in danger of being lost, removed or materially injured, or that the condition of the mortgage has not been performed, and that the property is probably insufficient to discharge the mortgage debt.

3. ***In an action to have a residential multifamily rental property declared to be a substandard property that is brought pursuant to section 10 or 29 of this act to manage the repair or rehabilitation of the substandard property.***

4. After judgment, to carry the judgment into effect.

~~[4.]~~ ***5.*** After judgment, to dispose of the property according to the judgment, or to preserve it during the pendency of an appeal, or in proceedings in aid of execution, when an execution has been returned unsatisfied, or when the judgment debtor refuses to apply the judgment debtor's property in satisfaction of the judgment.

~~[5.]~~ ***6.*** In the cases when a corporation has been dissolved, or is insolvent, or in imminent danger of insolvency, or has forfeited its corporate rights.

~~[6.]~~ ***7.*** In all other cases where receivers have heretofore been appointed by the usages of the courts of equity.

Sec. 20. Chapter 268 of NRS is hereby amended by adding thereto the provisions set forth as sections 21 to 37, inclusive, of this act.

Sec. 21. ***As used in sections 21 to 37, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 22 to 26, inclusive, of this act have the meanings ascribed to them in those sections.***

Sec. 22. ***"Dwelling unit" means a structure or the part of the structure that is occupied as, or designed or intended for occupancy as, a residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.***

Sec. 23. ***"Habitability standard" includes, without limitation:***

1. Any provision of an applicable housing or health code concerning the health, safety, sanitation or fitness for habitation of a dwelling unit; or

2. The requirements of chapter 118A of NRS relating to the habitability of a dwelling unit, including, without limitation, the provisions of subsection 1 of NRS 118A.290.

Sec. 24. *"Receiver" means a receiver appointed by a district court as the court's agent, and subject to the court's direction, to take possession of, manage and, if authorized by court order, transfer, sell, lease, license, exchange, collect or otherwise dispose of receivership property in an action to declare a residential multifamily rental property to be a substandard property pursuant to section 29 of this act.*

Sec. 25. *"Residential multifamily rental property" means a parcel of land in the incorporated area of the city which is primarily used for personal, family or household purposes to which is affixed two or more dwelling units for occupancy by tenants on a rental basis.*

Sec. 26. *"Substandard property" means a residential multifamily rental property that has been declared to be a substandard property by a district court pursuant to section 29 of this act.*

Sec. 27. *1. If the appropriate department of a city finds that:*

(a) A residential multifamily rental property is maintained in a way that violates any applicable habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety; and

(b) As a result of the violation or violations described in paragraph (a), the condition of the residential multifamily rental property is of such a nature that the health and safety of residents or the public is substantially endangered,

➥ the city shall notify the owner of the residential multifamily rental property and order that the owner repair or rehabilitate the residential multifamily rental property or otherwise abate the condition.

2. Any notice and order issued pursuant to subsection 1:

(a) Must include, without limitation:

(1) The name, address and telephone number of the city department that issued the notice and summary order;

(2) The date, time and location of any public hearing or proceeding concerning the notice and summary order;

(3) A description of each violation of a habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety, as applicable;

(4) Any deadline by which the owner must repair or rehabilitate the residential multifamily rental property or otherwise abate the condition;

(5) A description of:

(I) The remedies authorized pursuant to section 28 of this act if the owner fails to comply with the terms of the notice and summary order;

(II) The judicial relief required and authorized to be granted pursuant to section 30 of this act; and

(III) The powers and duties of any appointed receiver pursuant to sections 31 to 35, inclusive, of this act; and

(6) A statement that the owner or lessor, if applicable, is prohibited from retaliating against any tenant pursuant to NRS 118A.510; and

(b) Must be posted in a conspicuous place on the residential multifamily rental property and mailed by certified mail to the owner and each affected resident of a dwelling unit on the residential multifamily rental property.

Sec. 28. ***1. If the owner of a residential multifamily rental property fails to comply with the terms of the notice and summary order issued pursuant to section 27 of this act:***

(a) The city may bring an action to:

(1) Have the residential multifamily rental property declared by the district court to be a substandard property;

(2) Obtain a court order requiring the owner to repair or rehabilitate the residential multifamily rental property or otherwise abate the condition; and

(3) Have the district court impose a civil penalty against the owner of the residential multifamily rental property, as provided by ordinance; or

(b) The city or a nonprofit organization representing any tenant or tenant association may bring an action to:

(1) Have the residential multifamily rental property declared to be a substandard property; and

(2) Have a receiver appointed pursuant to NRS 32.010.

2. A party who intends to bring an action for the appointment of a receiver pursuant to paragraph (b) of subsection 1 shall:

(a) Not later than 30 days before filing such an action, provide notice of intent to bring the action by:

(1) Posting a notice in a conspicuous place on the residential multifamily rental property; and

(2) Mailing the notice to each person with a recorded interest in the residential multifamily rental property; and

(b) Provide with the court filing:

(1) Proof that the party provided the notice of intent to bring the action as required pursuant to paragraph (a); and

(2) If the party is a nonprofit organization representing a tenant or tenant association, an affidavit provided by the department of the city that issued the notice and summary order pursuant to section 27 of this act in support of the court filing which must include, without limitation, a history of communications and any documentation relating to the provisions of section 27 of this act. The department of the city shall cooperate and timely provide the affidavit upon request of a nonprofit organization representing a tenant or tenant association.

3. A party who brings an action pursuant to subsection 1 must serve each owner of the residential multifamily rental property in the manner provided by Rule 4 of the Nevada Rules of Civil Procedure.

4. The district court may award reasonable attorney's fees and costs to the prevailing party in an action brought pursuant to this section.

Sec. 29. ***1. To declare a residential multifamily rental property to be a substandard property, the district court must find:***

(a) The residential multifamily rental property is maintained in a way that violates one or more applicable habitability standards, housing codes or building codes, or any statute or ordinance relating to habitability, building safety or fire safety; and

(b) The condition of the residential multifamily rental property that is caused by the violation or violations described in paragraph (a) is so extensive and of such a nature that the health and safety of the residents of the building or the public is substantially endangered.

2. In determining whether to appoint a receiver for a substandard property, the district court shall consider whether the owner of the substandard property has been afforded a reasonable opportunity to repair or rehabilitate the property or otherwise abate the condition.

3. The district court:

(a) Except as otherwise provided in paragraph (b), may appoint a nonprofit organization, community development corporation or other person as a receiver.

(b) Shall not appoint any nonprofit organization, community development corporation or person as a receiver unless the nonprofit organization, community development corporation or person has demonstrated to the district court the necessary

capacity and expertise to develop and supervise a viable financial and construction plan for the satisfactory rehabilitation of the substandard property.

4. An order issued by a district court declaring a residential multifamily rental property to be a substandard property must, without limitation, set forth:

(a) The conditions found by the district court that make the residential multifamily rental property a substandard property; and

(b) The repairs, rehabilitations and abatements that the district court finds to be necessary in order to correct each violation of a habitability standard, housing code or building code, or any statute or ordinance relating to habitability, building safety or fire safety.

5. The provisions of NRS 32.100 to 32.370, inclusive, and any rules adopted by the Supreme Court pursuant to NRS 32.270 apply to any receiver appointed pursuant to this section for a substandard property.

Sec. 30. ***1. If the district court finds that there is a condition of the substandard property which substantially endangers the health and safety of the residents of the substandard property, upon the entry of any order or judgment pursuant to section 29 of this act, the district court shall:***

(a) Order the owner of the substandard property to pay all reasonable and actual costs of the governing body of the city or its designee, including, without limitation, inspection costs, investigation costs, enforcement costs, attorney's fees and costs and all costs of prosecution.

(b) Order that the governing body of the city or its designee shall provide each tenant of the substandard property with the notice of the district court order or judgment.

(c) Except as otherwise provided in subsection 4, if the conditions of the substandard property or the repair, rehabilitation or abatement thereof significantly affect the safe and sanitary use of the substandard property by any lawful tenant, such that the tenant cannot safely reside in the premises, order the owner to provide or pay relocation benefits to each lawful tenant. These benefits must consist of actual reasonable moving and storage costs and relocation compensation, including, without limitation, the costs and compensation for the following:

(1) Transportation of the personal property of the tenant to the new location. The new location must be in close proximity to the substandard property, except where relocation to a new

location beyond a close proximity is determined by the district court to be justified.

(2) Packing, crating, unpacking and uncrating all personal property of the tenant.

(3) Insurance of the property of the tenant while in transit.

(4) The reasonable replacement value of personal property lost, stolen or damaged, other than any personal property that was lost, stolen or damaged through the fault or negligence of the displaced tenant, or his or her agent or employee, in the process of moving, where insurance covering the loss, theft or damage is not reasonably available.

(5) The cost of disconnecting, dismantling, removing, reassembling, reconnecting and reinstalling machinery, equipment or other personal property of the tenant, including connection charges imposed by utility companies for starting utility service.

(6) Relocation compensation in an amount equal to the differential between the contract rent and the fair market rental value determined by the United States Department of Housing and Urban Development for a unit of comparable size within the area for the period that the unit is being repaired or rehabilitated, for not more than 120 days.

(d) Determine the date when the tenant is to relocate, and order the tenant to notify the governing body of the city or its designee and the owner of the dwelling unit of the address to which the tenant has relocated not more than 5 days after the relocation.

(e) Order that the owner of the substandard property offer the first right of occupancy of a dwelling unit to each tenant who received benefits pursuant to this section, before letting the dwelling unit for rent to a third party. Except as otherwise provided in this paragraph, the offer for first right of occupancy to the tenant must be in writing and sent by certified mail to the address given by the tenant at the time of relocation. If the owner has not been provided the address of the tenant by the tenant as required by this section, the owner is not required to offer the tenant the first right of occupancy. The tenant may accept the offer by giving the owner notice in writing by certified mail not later than 10 days after the owner mailed the offer.

(f) Order that if the owner fails to comply with any order issued pursuant to sections 21 to 37, inclusive, of this act, the court may:

(1) Sanction the person for civil contempt;

(2) Impose any penalty authorized pursuant to NRS 268.4124 as if the substandard property were a chronic nuisance; or

(3) Any other penalty provided by law.

2. If the district court finds that a tenant has been substantially responsible for causing or substantially contributing to the conditions found by the district court that make the residential multifamily rental property a substandard property, the court shall not grant to the tenant any relocation compensation or benefits.

3. Any tenant of the substandard property who has been ordered to relocate due to the conditions found by the district court that make the residential multifamily rental property a substandard property and who is not substantially responsible for causing or contributing to the condition must be paid these benefits and moving costs at the time that the tenant actually relocates.

4. If the district court finds that it is not possible to provide a tenant with the benefits described in paragraph (c) of subsection 1, the district court may award such other equitable or declaratory relief as the court finds necessary.

Sec. 31. *1. If the district court appoints a receiver for a substandard property pursuant to section 29 of this act, the owner of the substandard property, and any agent or employee of the owner, shall not collect rent from any tenant, interfere with the receiver in the operation of the substandard property or encumber or transfer any interest in the substandard property.*

2. Unless otherwise ordered by the district court, a receiver for a substandard property shall:

(a) Take full and complete control of the substandard property.

(b) Manage the substandard property and pay any expenses of the operation of the substandard property, including, without limitation, paying the taxes, insurance, utilities, general maintenance and debt secured by an interest in the substandard property.

(c) Secure a cost estimate and construction plan from a licensed contractor for the repairs, rehabilitation or abatement necessary to correct the conditions cited in the order issued pursuant to section 29 of this act.

(d) Upon securing a cost estimate and construction plan pursuant to paragraph (c) and submitting to and obtaining the authorization of the district court, enter into contracts and employ a licensed contractor as necessary to correct the conditions cited in

the order issued pursuant to section 29 of this act. The district court may modify the cost estimate and construction plan as the court finds necessary.

(e) Collect all rents and income generated by the substandard property.

(f) Use all rents and income generated by the substandard property to pay for the cost of the repairs, rehabilitation or abatement determined by the district court to be necessary to correct the conditions cited in the order issued pursuant to section 29 of this act.

(g) Borrow money to pay for the repairs, rehabilitation or abatement necessary to correct the conditions cited in the order issued pursuant to section 29 of this act, borrow money to pay for any relocation benefits for tenants that are authorized pursuant to section 30 of this act and, with district court approval, secure that debt and any money owed to the receiver for services performed pursuant to this section with a lien on the residential multifamily rental property upon which the substandard property is situated. The lien shall be recorded in the county recorder's office in the county wherein the substandard property is situated.

(h) To exercise any other power granted to a receiver pursuant to chapter 32 of NRS.

(i) Provide any relocation benefits to a tenant that are ordered by the court pursuant to section 30 of this act.

3. If the district court appoints as a receiver a nonprofit organization or community development corporation, in addition to the powers and duties that are granted pursuant to subsection 2, the nonprofit organization or community development corporation may apply for grants to assist in the rehabilitation of the substandard property.

Sec. 32. ***A receiver appointed pursuant to section 29 of this act is entitled to the same fees, commissions and necessary expenses as a receiver in an action to foreclose a mortgage.***

Sec. 33. ***1. In addition to any periodic reporting required by the district court, the receiver shall prepare and submit monthly reports relating to a substandard property to the governing body of the city or its designee. The report to the governing body of the city must include, without limitation:***

(a) The total amount of rent payments received from tenants of the substandard property;

(b) The nature and amount of any contract that is negotiated or entered into by the receiver relating to the operation, repair or

rehabilitation of or the abatement of a condition at the substandard property;

(c) A record of payments made by the receiver relating to the operation, repair or rehabilitation of or the abatement of a condition at the substandard property;

(d) Information relating to the progress of the repair or rehabilitation of the substandard property or abatement of a condition at the substandard property; and

(e) A record of any amount paid to a tenant pursuant to section 31 of this act for relocation benefits.

2. On or before February 1 of each year, the governing body of the city shall submit any report required by subsection 1 and received during the immediately preceding calendar year to the Director of the Legislative Counsel Bureau for transmittal to the Legislature or, if the Legislature is not in session, to the Legislative Commission.

Sec. 34. ***1. A district court must discharge the receiver appointed pursuant to section 29 of this act when the district court finds that:***

(a) The conditions set forth in the court order issued pursuant to section 29 of this act that made the residential multifamily rental property a substandard property have been properly repaired or abated; and

(b) A complete accounting of all costs relating to the operation, repair or rehabilitation of or abatement of a condition at the substandard property has been delivered to the district court.

2. Upon correction of the conditions that made the residential multifamily rental property a substandard property, the owner, the mortgagee or any lienholder may apply for the discharge of all money not used by the receiver for removal of the condition and all other costs.

3. After discharging the receiver, the district court may:

(a) Retain jurisdiction over the substandard property for a period of time not to exceed than 18 consecutive months; and

(b) Require the owner of the substandard property and the governing body of the city or its designee to report to the district court on the substandard property in accordance with a schedule determined by the district court.

Sec. 35. ***Upon the request of a receiver, the district court may require the owner of the substandard property to pay all unrecovered costs associated with the receivership.***

Sec. 36. ***1. The remedies and penalties provided in sections 21 to 37, inclusive, of this act are cumulative, may not be***

abrogated and are in addition to any other remedies or penalties that may exist in law or equity, including, without limitation, any remedy or penalty that may be available pursuant to NRS 268.4122, 268.4124 and 268.4126.

2. The provisions of sections 21 to 37, inclusive, of this act shall not be construed to limit those rights available to a landlord or tenant pursuant to any other provision of law.

Sec. 37. ***Nothing in the provisions of sections 21 to 37, inclusive, of this act is intended to deprive any owner of a residential multifamily rental property or substandard property any right guaranteed by the United States Constitution or the Nevada Constitution, including, without limitation, the right to due process.***

Sec. 38. The provisions of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

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