

1 **BILL NO. 2017-18**

2 **ORDINANCE NO. _____**

3 AN ORDINANCE TO UPDATE CODE PROVISIONS PERTAINING TO THE CITY'S
4 REGISTRATION AND MAINTENANCE PROGRAM FOR VACANT PROPERTIES THAT ARE THE
5 SUBJECT OF FORECLOSURE AND RELATED PROCEEDINGS, AND TO PROVIDE FOR OTHER
6 RELATED MATTERS.

6 Sponsored by: Councilman Steven D. Ross

Summary: Updates Code provisions pertaining
to the City's registration and maintenance
program for vacant properties that are the subject
of foreclosure and related proceedings.

9 THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES HEREBY ORDAIN AS
10 FOLLOWS:

11 SECTION 1: Title 16, Chapter 33, Section 20, of the Municipal Code of the City of Las
12 Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

13 **16.33.020:** Unless the context otherwise requires, the following words and phrases used in this
14 Chapter shall have the meanings ascribed to them:

15 "Abandoned residential property" has the meaning ascribed to it in NRS 107.0795.

16 "Default," with respect to a mortgage, means that the obligor under the mortgage has breached or is
17 in default of a repayment or other obligation in connection with that mortgage.

18 "Foreclosure" means the process by which real property placed as security for the repayment of a
19 loan is to be sold to satisfy the debt concerning which the borrower has defaulted.

20 "Mortgage" means a first mortgage or other first-priority security interest in real property that is
21 placed as security for the repayment of a loan, and includes a first deed of trust.

22 "Mortgagee" means any person or firm who holds a first-priority mortgage or other first-priority
23 security interest in real property to secure a loan, whether as the mortgagee of a mortgage or the beneficiary
24 of a deed of trust.

25 "Notice of default event," with respect to a mortgage, means that a default regarding that mortgage
26 has occurred and either:

1 (A) A notice of breach or notice of default and election to sell has been provided to the
2 obligor thereof and has been recorded in the County Recorder's Office; or

3 (B) An action for judicial foreclosure has been commenced regarding that mortgage by
4 the filing of a complaint or petition for foreclosure in a court of competent jurisdiction.

5 "Specified property" means any parcel of vacant real property within the City that is subject to a
6 mortgage and concerning which a notice of default event has occurred. To the extent not included within
7 the scope of the preceding sentence, the term also includes abandoned residential property located within
8 the City, as well as residential property that may be in danger of becoming abandoned residential property.

9 For purposes of the inspection requirement set forth in LVMC 16.33.030 and for that purpose only, the
10 term also includes a parcel of real property that appears to be vacant. Once a parcel is determined not to be
11 vacant, or is determined not to qualify as abandoned residential property or to be in danger of becoming
12 abandoned residential property, [or is no longer vacant,] it shall not be considered "specified property" until
13 it qualifies as such again under this definition.

14 "Vacant," with respect to real property, and "vacant real property" mean real property and
15 improvements that are not presently occupied by persons lawfully entitled thereto. The term does not
16 include real property that is unoccupied by reason of the temporary absence of lawful occupants who intend
17 to return and resume occupancy.

18 SECTION 2: Title 16, Chapter 33, Section 30, of the Municipal Code of the City of Las
19 Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

20 **16.33.030:** (A) Except as otherwise provided in LVMC 16.33.070, any mortgagee who holds a
21 mortgage on specified property shall inspect that property or cause it to be inspected in accordance with
22 this Section. If the inspection reveals that the property is not being occupied by the mortgagor or by
23 persons who are occupying the property with the mortgagor's consent, the mortgagee shall register the
24 property with the Department of [Building and Safety] Planning on forms to be provided by the
25 Department, or with another [designated] department, person or entity designated by the Department, on
26 forms approved by the Department[.] or the designee. In connection with that registration, the mortgagee

1 shall also designate in writing a property manager to inspect, maintain and secure the property. A separate
2 inspection, registration and designation [is] are required for each specified property.

3 (B) Registration pursuant to Subsection (A) shall contain, at a minimum, the following
4 information:

5 (1) The name and mailing address of the mortgagee, and the physical address
6 of the mortgagee if the mailing address is a post office box.

7 (2) A direct contact name, [and] phone number, and email address (if
8 available), for purposes of contacting the mortgagee.

9 (3) The name, address, [and] phone number, and email address (if available)
10 of the property manager.

11 (4) The current disposition and occupancy status of the property.

12 (C) Any property manager designated pursuant to this Section must be located within
13 Nevada and must be:

14 (1) A duly-licensed property management company or property preservation
15 company;

16 (2) A department or section of a mortgagee that is devoted to property
17 management or preservation; or

18 (3) A service provider specifically employed by a mortgagee to provide
19 property management or preservation within the City.

20 (D) The obligations listed in Subsection (A) shall be fulfilled within the following time
21 frames:

22 (1) The property inspection must occur no later than fifteen calendar days
23 following:

24 (a) [the] The occurrence of the notice of default event regarding the
25 property[.] ; or

26 (b) Receipt of notice from the City or another governmental agency

1 that the property qualifies as abandoned residential property or may be in danger of so qualifying.

2 (2) The property registration and designation of a property manager must
3 occur no later than ten calendar days after the inspection.

4 (E) A property inspection required by Subsection (A) may be conducted by the City
5 pursuant to LVMC 16.33.100, upon request.

6 [(E)] (F) With respect to each specified property, the mortgagee and its designated property
7 manager shall be responsible for inspecting and maintaining the property on a monthly basis until the
8 parcel no longer qualifies under the definition of "specified property."

9 SECTION 3: Title 16, Chapter 33, Section 40, of the Municipal Code of the City of Las
10 Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

11 **16.33.040:** The City is authorized to charge a mortgagee [a fee of two hundred dollars for each initial
12 property registration required under this Chapter, and a fee of fifty dollars for each modification to a
13 registration.] the following fees:

14 (A) Two hundred dollars for each initial property registration required under this
15 Chapter and an additional two hundred dollars annually on the yearly anniversary of the registration; and

16 (B) Fifty dollars for each modification to a registration.

17 SECTION 4: Title 16, Chapter 33, Section 70, of the Municipal Code of the City of Las
18 Vegas, Nevada, 1983 Edition, is hereby amended to read as follows:

19 **16.33.070:** A mortgagee's obligation under this Chapter regarding inspection and maintenance of a
20 specified property may be waived by the Director of [Building and Safety] Planning or the Director's
21 designee if the mortgagee can demonstrate to the satisfaction of the Director or designee that:

22 (A) The mortgage documents either expressly prohibit the mortgagee and its agents
23 from entering the property for those purposes or do not authorize such entry in order to protect the
24 mortgagee's interests in the property; and

25 (B) There is a reasonable possibility, based on articulable evidence, that:

26 (1) The obligor under the mortgage or an authorized occupant of the premises

1 will report as a trespass an entry on the premises by or on behalf of a mortgagee; or

2 (2) The obligor under the mortgage will assert against the mortgagee, whether
3 in a foreclosure proceeding or otherwise, a claim that such entry is a breach of the mortgage documents or
4 constitutes an illegal or unauthorized entry on the property.

5 SECTION 5: Title 16, Chapter 33, of the Municipal Code of the City of Las Vegas,
6 Nevada, 1983 Edition, is hereby amended by adding thereto a new section, designated as Section 100,
7 reading as follows:

8 **16.33.100:** For purposes of NRS 107.130(4) pertaining to the inspection of properties for purposes of
9 an expedited sale under deed of trust:

10 (A) The Code Enforcement Division of the Department of Planning is designated as
11 the agency to perform the services and functions required by NRS 107.130.

12 (B) If the beneficiary of a deed of trust pertaining to residential property located within
13 the City reasonably believes that the property may be abandoned (as referenced in NRS 107.130), the
14 beneficiary or an agent may request a certification relative to abandonment from the Code Enforcement
15 Division, on a form provided by the Division for that purpose.

16 (C) In response to a request pursuant to Subsection (B), the Code Enforcement
17 Division shall perform the inspection, notice and certification functions required and authorized by NRS
18 107.130 regarding the property that is the subject of the request, and shall do so in accordance with and
19 subject to the provisions of NRS 107.130.

20 (D) The Code Enforcement Division is authorized to charge a fee of three hundred
21 dollars for performing the services and functions described in Subsection (C) and may condition its
22 performance on receipt of that fee.

23 SECTION 6: The following provisions of this Ordinance shall expire by limitation on
24 June 30, 2017, unless superseded or extended by ordinance:

25 (A) The amendatory language of Section 1.
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1 (B) The amendatory provisions of Section 2, except those that amend Subsections (A)
2 and (B) of LVMC 16.33.030.

3 (C) Section 5 (adding LVMC 16.33.100).

4 SECTION 7: If any section, subsection, subdivision, paragraph, sentence, clause or
5 phrase in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or
6 ineffective by any court of competent jurisdiction, such decision shall not affect the validity or
7 effectiveness of the remaining portions of this ordinance or any part thereof. The City Council of the City
8 of Las Vegas hereby declares that it would have passed each section, subsection, subdivision, paragraph,
9 sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections,
10 subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.

11 SECTION 8: Whenever in this ordinance any act is prohibited or is made or declared to
12 be unlawful or an offense or a misdemeanor, or whenever in this ordinance the doing of any act is required
13 or the failure to do any act is made or declared to be unlawful or an offense or a misdemeanor, the doing of
14 such prohibited act or the failure to do any such required act shall constitute a misdemeanor and upon
15 conviction thereof, shall be punished by a fine of not more than \$1,000.00 or by imprisonment for a term of
16 not more than six months, or by any combination of such fine and imprisonment. Any day of any violation
17 of this ordinance shall constitute a separate offense.

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SECTION 9: All ordinances or parts of ordinances or sections, subsections, phrases, sentences, clauses or paragraphs contained in the Municipal Code of the City of Las Vegas, Nevada, 1983 Edition, in conflict herewith are hereby repealed.

PASSED, ADOPTED and APPROVED this _____ day of _____, 2017.

APPROVED:

By _____
CAROLYN G. GOODMAN, Mayor

ATTEST:

LUANN D. HOLMES, MMC
City Clerk

APPROVED AS TO FORM:

Val Steed,
Deputy City Attorney

Date _____

1 The above and foregoing ordinance was first proposed and read by title to the City Council on the ____
2 day of _____, 2017, and referred to a committee for recommendation, the committee
3 being composed of the following members _____;
4 thereafter the said committee reported favorably on said ordinance on the ____ day of
5 _____, 2017, which was a _____ meeting of said Council; that at said
6 _____ meeting, the proposed ordinance was read by title to the City Council as first
7 introduced and adopted by the following vote:

8 VOTING "AYE": _____

9 VOTING "NAY": _____

10 ABSENT: _____

11 APPROVED:

12
13 By _____
CAROLYN G. GOODMAN, Mayor

14 ATTEST:

15 _____
16 LUANN D. HOLMES, MMC
City Clerk

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