

## MASSIVE CHANGES COMING TO THE METH TESTING INDUSTRY! THE BIG IMPORTANT READ!!!

The Residential Tenancy Amendment Bill No.2 went through its second reading in Parliament last week and is about to be passed as law in Parliament by the end of the month. This is excellent news for landlords and tenants as it is a very fair and balanced piece of legislation.

Here are some of the main points that will change:

This will bring the New Zealand Meth Testing Standard into Law.

The Standard is in the process of being reviewed by MBIE and Standards New Zealand, and will be law along with its amendments.

• It provides a lawful and legally enforceable way for a landlord to protect their assets from Methamphetamine Contamination and damage.

In conjunction, there will be set rules to protect tenants from being wrongfully evicted.

 Landlords will have a power of entry to their property in order to conduct contamination testing.

There are regulations being developed that will set specific time frames for this. It could be 24 hours or 48 hours notice.

Landlords will only be able to evict tenants if they have proof that

## contamination occurred during their tenancy.

Without proof, no eviction can occur which is a great way to ensure a tenants rights are protected.

So in order to ensure that a landlords asset is being cared for, a pre-tenancy and then a post tenancy Methamphetamine test ensures that the obligations of the law are met along with insurance obligations.

Landlords must also disclose to their tenants their insurance details.

This is to ensure fairness as, if any methamphetamine contamination is discovered during or after their tenancy, the tenant is liable for the insurance excess (up to four weeks in rent) for any damage.

If the Landlord chooses not to disclose that they do not have insurance for contamination, then the landlord is liable which gives tenants free reign to commit illegal drug use within the landlords asset. For intentional damage where tenants have been proven to have caused the damage, the tenant is liable for the total amount with no maximum cap.

So in order for a landlord to meet their methamphetamine insurance policy, (or even if they choose not to have insurance, but require proof that the dwelling was contamination free pre tenancy) they must test pre tenancy and post tenancy to ensure that, if contamination is detected, a burden of proof is established for any tenancy tribunal claim as to who is responsible for the contamination. Otherwise, they will have failed to comply with the requirements of their policies and failed to meet the law.

Landlords can, of course, choose to not have any methamphetamine insurance.

They then must disclose to their tenant that they do not have any methamphetamine insurance and the tenants can then choose to have a pre-tenancy test done to ensure that the dwelling they are going to live in is contamination free, and no liability is assumed if contamination is subsequently found.

The landlord then has no insurance cover in the event that tenants use or manufacture methamphetamine in their asset, potentially resulting in thousands of dollars of loss in decontamination and repairs.

If a landlord chooses not to test they then have no recourse at any tenancy tribunal hearing to claim damages done by methamphetamine contamination from use or manufacture.

• Landlords are liable for a \$4000 fine per offence and exemplary damages and back paid rent if providing an unlawful premises.

We will be watching the progress of this Bill through its third and final reading and intend on updating our clients to ensure their obligations are met.

In the mean time our advice is to ensure the New Zealand Standards are being applied. To ensure competence of testing and reporting that cannot be questioned in

the future, use accredited companies whose methodology for testing and reports are proven and accepted at the tribunal.

A list of Accredited companies can be found here: Search Keyword: Methamphetamine

https://www.ianz.govt.nz/directory/

If you would like to book a training session with us about the coming changes, <u>please</u> <u>click here.</u>

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