PROBLEMS OF OWNERS AND RENTERS OF MOBILE HOMES

Bulletin No. 81-9

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

August 1980

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FILE NUMBER 121

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to study the problems of owners and renters of mobile homes.

WHEREAS, The legislature of the State of Nevada is concerned with the problems of owners and renters of mobile homes, especially problems related to the scarcity of spaces in mobile home parks at reasonable rents; and

WHEREAS, The legislature believes that a study of the particular problems of owners and renters of mobile homes is needed; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That the legislative commission is hereby directed to study the problems of owners and renters of mobile homes; and be it further

Resolved, That the legislative commission submit a report of its findings and any recommendations for appropriate legislation to the 61st session of the legislature.

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REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 61ST SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Assembly Concurrent Resolution No. 3 of the 60th session of the Nevada legislature, which directs the legislative commission to study the problems of owners and renters of mobile homes.

The legislative commission appointed a subcommittee to make the study and recommend appropriate legislation to the next session of the legislature. Assemblyman Karen W. Hayes was designated as chairman of the subcommittee with Assemblyman Robert R. Barengo as vice chairman. The following legislators were named as members: Senator M. H. Sloan, and Assemblymen Paul Prengaman, Robert E. Robinson and Doug Webb.

The subcommittee has attempted, in this report, to present its findings and recommendations briefly and concisely. A great deal of data were gathered in the course of the study. The data which bear directly upon recommendations in this report are included. The report is intended as a useful guide to busy legislators. All supporting documents and minutes are on file with the legislative counsel bureau and available to any member.

The report is transmitted to the members of the 1981 legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
August 1980

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LEGISLATIVE COMMISSION

Senator Keith Ashworth, Chairman
Senator Melvin D. Close, Jr., Vice Chairman

Senator Richard E. Blakemore	Assemblyman Robert R. Barengo
Senator Carl F. Dodge	Assemblyman Joseph E. Dini, Jr.
Senator Lawrence E. Jacobsen	Assemblyman Virgil M. Getto
Senator Thomas R.C. Wilson	Assemblyman Paul W. May
	Assemblyman Robert F. Rusk
	Assemblyman Darrell D. Tanner

SUMMARY OF RECOMMENDATIONS

This summary represents the major conclusions reached by the subcommittee. These conclusions are based upon suggestions which came from public hearings, written communications to the subcommittee, other states' legislation, responses to surveys to other states and to local government agencies in Nevada, staff research, the experience of the subcommittee's members and subcommittee tours of mobile home parks.

The subcommittee recommends:

1. The definition of serviceman contained in NRS chapter 489 be revised to include those who install or repair skirting, awnings, roofing, fixtures, appliances and devices on or in mobile homes or commercial coaches except (1) any person employed by a licensed manufacturer, or (2) the owner or purchaser of a mobile home or commercial coach. (BDR 43-15)

2. a) Every applicant who applies for a manufacturer's, dealer's, rebuilder's, serviceman's, installer's, or salesman's license under NRS chapter 489 be required to provide the manufactured housing division with information about the applicant's character, honesty, integrity, fitness and reputation.

   b) Upon receipt of an application for a license which is accompanied by the appropriate fee, the division, within 120 days, make a thorough investigation of the information contained in the application. Such investigation must include a review of the applicant's state and national records of criminal history obtained from a repository of Nevada records of criminal history and from the Federal Bureau of Investigation's National Crime Information Center.

   c) The subcommittee recommends further that each applicant be fingerprinted. (BDR 43-15)

3. NRS 489.351 be amended to require that the manufactured housing division require a written or oral examination of each applicant for a dealer's, or responsible management employee's, installer's, salesman's or serviceman's license. The subcommittee recommends further that current licensees be required to pass the appropriate examination as a

condition of license renewal; but, that no licensee be required to complete successfully more than one examination for a specific license. (BDR 43-15)

4. A fund for recovery be created as a special revenue fund for the purpose of satisfying claims against persons licensed under chapter 489 of NRS. (BDR 43-15)

5. A receivership procedure be established in the law for insolvent mobile home dealers. (BDR 43-15)

6. A mobile home escrow law be added to the NRS. (BDR 52-16)

7. Any sale of a mobile home which is to become assessed and taxable as real property not be subject to sales tax. (BDR 32-17)

8. The Nevada tax commission revise the depreciation schedule for mobile homes to comply with the legislative mandate in NRS 361.325 (1) (b) to classify mobile homes on the basis of those factors which most closely determine their service lives and fix and establish their valuation for assessment purposes.

9. The housing division of the department of commerce use its authority under NRS chapter 319 to provide assistance to low and moderate income persons who wish to purchase mobile homes and to assist in the development of new mobile home developments including mobile home parks. The subcommittee specifically recommends:

    a. The housing division provide loans to nonprofit corporations and local agencies attempting to develop new mobile home developments.

    b. The housing division provide advice and technical information as specified in NRS 319.160 to those wishing to develop mobile home parks affordable to low and moderate income households.

    c. The housing division make loans for the following reasons:

        (1) To finance the development of mobile home parks which will be cooperatively owned or rented by households of low and moderate income.

(2) To finance the development of mobile home subdivisions, provided that the mobile homes will be purchased by lower and moderate income households.

10. The housing division report:

a. Annually on the number of mobile home owners whom it assists under the provisions of chapter 319 of NRS.

b. Back to the legislature by January 1, 1983, with the changes it believes are necessary in chapter 319 of NRS for the division to provide financial assistance, technical information or to promote the development of mobile home parks or mobile home housing. (BDR 25-18)

11. The 1981 legislature enact a concurrent resolution urging the housing division of the department of commerce to vigorously pursue its authority under NRS chapter 319 to acquire land from any governmental agency and to sell such land at cost for the purpose of developing mobile home parks for persons of low and moderate income. (BDR 21)

12. The 1981 legislature enact a concurrent resolution urging each housing authority in Nevada to vigorously pursue and obtain funding for the contributions contracts for rental assistance to mobile home owners provided for in subsection (j) "Contributions contracts for rental assistance to mobile home owners," of 42 USCA 1437F "Lower-income housing assistance." (BDR 19)

13. The 1981 legislature adopt a joint resolution memoralizing Congress to provide increased funding specifically for contributions contracts for rental assistance to mobile home owners who reside in mobile home parks and pay space rents. (BDR 20)

14. A borrower or a purchaser, under a loan contract or credit sale contract secured by a mobile home, be permitted to prepay the unpaid balance of the contract and receive a refund of the unearned interest or finance charge. In the event of prepayment in full, the finance charge is to be calculated on a simple interest basis by applying the true annual percentage rate against a declining balance that does not include "added on" interest or finance charges. (BDR 8-26)

15. The NRS be amended to require the manufactured housing division to enact regulations for the construction, reconstruction and operation of mobile home parks. The subcommittee recommends further that such regulations set forth the conditions for the assumption and required qualifications for local agencies to enforce the regulations. A fee permit schedule should also be established. (BDR 40-23)

16. The statutes be amended to require the health division to inspect mobile home parks for health and sanitation purposes at least once each year. The subcommittee recommends further that the requirement for inspection be extended to rental mobile homes where the renter consents to the inspection and that local authorities be permitted to conduct the health and sanitation inspections if the health division determines that local inspection would be effective. The subcommittee recommends further that the division or health authority maintain a record of all health and sanitation complaints received, the disposition of each complaint, the annual health inspection made of each park, the findings of each such inspection and the outcome of any deficiencies found. (BDR 40-23)

17. The manufactured housing division of the department o commerce be responsible for enforcing NRS 118.230 to 118.340, inclusive. Such authority include provision for the licensing, regulation and inspection of mobile home parks. The subcommittee recommends further that the division (1) adopt necessary regulations to administer NRS 118.230 to 118.340, inclusive. Upon 30 days' written notice from the governing body to the division, any city, county, or city and county assume the responsibility for the enforcement of NRS 118.230 to 118.340, inclusive, and the regulations adopted pursuant thereto following approval by the division for such assumption; (b) the division adopt regulations which set forth the conditions for assumption and include required qualifications of local enforcement agencies. Conditions set forth and the qualifications required in the regulations relate solely to the ability of local agencies to enforce properly the regulations relating to mobile home parks. The regulations not set standards for local

agencies different than those which the state maintains for its own enforcement program. When assumption is approved, the division transfer the responsibility for enforcement to the city, county, or city and county, together with all records of mobile home parks within the jurisdiction of the city, county, or city and county.

In the event of nonenforcement of NRS 118.230 to 118.340, inclusive, or the regulations adopted thereto, the provisions should be enforced by the division in any such city, county, or city and county after the division has given written notice to the governing body of such city, county, or city and county setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and the city, county or city and county have failed to initiate corrective measures to carry out its responsibilities within 30 days of such notice.

Where the division determines that the local enforcement agency is not properly enforcing the law or regulations, the local enforcement agency has the right to appeal such a decision to the division.

Any city, county, or city and county, upon written notice from the governing body to the division, be permitted to relinquish its assumption of responsibility for enforcing NRS 118.230 to 118.340, inclusive. The division, upon receipt of such notice, assume such responsibility within 30 days.

The subcommittee also recommends that permits be required and fees be charged for those permits.

The subcommittee recommends further that any permit holder who willfully violates any of the provisions of NRS 118.230 to 118.340, inclusive, or any rules or regulations issued pursuant to such sections, be subject to suspension or revocation of his permit to operate and a fine of up to $500 per day for each day he remains in violation. (BDR 40-23)

18. The statutes be amended to make the provisions governing the renting of mobile home lots applicable to recreational vehicles located in mobile home parks for 1 month or more. (BDR 10-27)

19. In an action to enforce rights under NRS 118.230 to 118.340, inclusive, the prevailing party in addition to actual damages may recover punitive damages in an amount not to exceed $500 for each willful violation of those provisions. (BDR 10-22)

20. The 1981 legislature adopt a concurrent resolution urging the district attorneys' offices in the three most populous counties to establish independent full-time staff to investigate and prosecute mobile home complaints. (BDR 25)

21. The landlord of any mobile home park which is not equipped with individual meters for each lot who charges the tenants for utilities either separately or by including the charge in their rent prorate the cost of all utilities.

    In no case should the charges prorated exceed in the aggregate the cost of the utility to the landlord. If the utility charges are included in the tenant's rent, the landlord be required to itemize the gas rate on the rent bill and give the tenant 60 days' written notice of any increase in gas rates.

    In any mobile home park which is equipped with individual meters for each lot and where the landlord receives the utility bill and charges the tenants for utilities, that charge not be at a rate higher than the tenant would pay if he were a direct customer of the utility.

    Every mobile home park be required to provide for each individual lot in the park by July 1, 1985:

    (a) Electric and gas service direct from the utilities; or
    (b) Individual meters for electric and gas service. (BDR 40-23)

22. Landlords of master metered mobile home parks provide facilities to tenants for determining the accuracy of individual meters on the master utility meter system. (BDR 40-23)

23. The public service commission be given jurisdiction over gas and electric distribution lines and associated equipment in mobile home parks. (BDR 40-23)

24. The landlord, or his authorized agent, not adopt or enforce rules or regulations (1) prohibiting a tenant from having a guest, except if the presence of the guest constitutes a nuisance; or (2) establishing areas for adults only in parks which allow children, unless the restriction is clearly posted in those areas. (BDR 10-22)

25. That no mobile home park owner, or his authorized agent, require a prospective tenant to purchase a mobile home from him or any other person in order to obtain a mobile home site. (BDR 10-22)

26. It be unlawful for a mobile home dealer, or his authorized agent, to pay the entrance or exit fees specified in paragraph (a) of subsection 1 of NRS 118.270. (BDR 43-15)

27. NRS 118.260 (4) be amended to double the time from 60 to 120 days in which notice must be given of new or amended mobile home park rules or regulations. (BDR 10-22)

28. Members of boards established to mediate grievances between landlords and tenants in mobile home parks include, if such organizations are in existence in the community, representatives of mobile home park owners' associations and representatives of mobile home park tenants' associations. (BDR 10-22)

29. The governing body of any city or county be permitted to provide, by ordinance, for the review of increases or the setting of rents charged for mobile home lots or mobile homes and mobile home lots within mobile home parks in that city or county when the governing body of the city or county determines that an emergency exists with regard to the rental of those lots. An emergency exists where the governing body finds that the rate of vacancies in mobile home parks in the city or county is 5 percent or less. (BDR 10-22)

30. The governing bodies of cities and counties not prohibit the location of a manufactured home, mobile home, mobile home park or a subdivision consisting of manufactured homes or mobile homes in any area of the city or county in which residential housing is permitted or the permanent attachment of any mobile home to land owned by the owner of a

mobile home and on which a mobile home is lawfully located. The subcommittee recommends further that a governing body not be prohibited from establishing reasonable standards relating to design to enable manufactured homes, mobile homes, mobile home parks and subdivisions consisting of manufactured homes or mobile homes to blend with adjacent areas of residential housing and otherwise regulating the improvement of land and the location and soundness of structures to the extent the regulation is not inconsistent with law.

REPORT OF THE LEGISLATIVE COMMISSION FROM THE SUBCOMMITTEE TO STUDY THE PROBLEMS OF OWNERS AND RENTERS OF MOBILE HOMES

I. INTRODUCTION AND BACKGROUND

With the soaring costs of conventional homes, many Nevadans are seeking alternate forms of housing which can meet their needs at more modest price levels. A viable option to many has been the mobile home. Current estimates are that as many as 80,000 Nevadans live in mobile homes located in mobile home parks or on private lots. The manufactured housing division estimates that there are 550 mobile home parks in Nevada containing approximately 28,000 mobile homes.

Issues relating to mobile homes have been of concern to the legislature for a number of years. The Mobile Home Standards Act, which was designed to protect the public against possible safety hazards and to prohibit the manufacture and sale of mobile homes which are not constructed in a manner which provides reasonable safety and protection to mobile home owners and users, was added to the Nevada Revised Statutes (NRS) in 1973 by A.B. 944, chapter 607 (Statutes of Nevada 1973). Since 1973, the act has been amended and recodified and existing law relating to mobile home safety, construction, installation and sales can be found in chapter 489 of NRS.

Statutory provisions concerning landlord and tenants in mobile home parks were added to NRS by A.B. 308 (chapter 491, Statutes of Nevada 1975). The law was amended substantially in 1977 by A.B. 201 (chapter 572, Statutes of Nevada 1977). Existing statutory provisions relating to "Landlord and Tenant: Mobile Home Lots" are contained in NRS 118.230 to 118.340, inclusive.

Matters relating to mobile homes were also a topic of major concern to the 1979 legislature. The Index And Tables For Bills And Resolutions Introduced In The Senate And Assembly Nevada Legislature, 60th Session, 1979, Through Adjournment May 29, 1979, lists 33 measures which deal, at least in part, with either mobile homes or mobile home parks.*

*Assembly bills: 45, 47, 100, 195, 211, 232, 390, 426, 453, 464, 522, 525, 721, 728, 768, 769, 784, 787. Assembly concurrent Resolution 3. Senate bills: 22, 54, 58, 126, 173, 204, 337, 356, 406, 455, 484, 549, 550. Senate concurrent resolution 56.

Eleven of those measures (A.B. 426, A.B. 453, A.B. 769, A.B. 784, A.C.R. 3, S.B. 173, S.B. 204, S.B. 356, S.B. 455, S.B. 484, S.B. 550) became law.

Even with this substantial amount of legislative activity pertaining to mobile homes, the 60th session of the Nevada legislature felt that more study was needed to obtain information and data about mobile home related issues. In this regard, it passed, as noted above, assembly concurrent resolution number 3 (file number 121) which directs the legislative commission to study the problems of owners and renters of mobile homes.

In line with the mandate in A.C.R. 3, the subcommittee studied a broad range of topics relating to the problems of owners and renters of mobile homes including:

1. Licensing requirements for mobile home dealers, manufacturers, rebuilders, servicemen and salesmen.
2. Bonding requirements for mobile home manufacturers, dealers and rebuilders.
3. The need for a mobile home escrow law.
4. Receivership procedures for mobile home dealers in financial difficulty.
5. Mobile home taxation.
6. Financial assistance and technical advice for mobile home owners and mobile home park developments.
7. Credit and interest issues related to mobile home purchases.
8. Mobile home energy conservation.
9. Restrictive zoning.
10. The application of uniform housing code provisions to mobile home parks.
11. Mobile home park safety and sanitation.
12. Utility meters and utility distribution lines and associated equipment used in mobile home parks.
13. Discrimination in mobile home parks.
14. Closed parks.
15. Entrance and exit fees.
16. Length of notice of adopted or amended rules in mobile home parks.
17. Mobile home landlord and tenant mediation boards.
18. Mechanisms of reviewing increases in rents for mobile home park spaces.
19. Enforcement of the landlord and tenant law affecting mobile home lots.
20. Protection of recreational vehicles located in mobile home parks.

Most of these issues are discussed in this report.

Subcommittee meetings were held in Carson City (on April 18 and June 5, 1980); Reno (on February 8, 1980); Las Vegas (on October 10, 1979, and March 21, 1980); and Elko (on January 3, 1980). Each meeting was structured carefully to focus on different subject areas and to elicit presentations from different interested parties.

In addition to private citizens, representatives of mobile home park owners and operators' groups, mobile home tenants' groups, state and local government agencies from Nevada and California, mobile home manufacturers and distributors' groups and mobile home landlord mediation boards appeared before the subcommittee. A listing of the persons who gave presentations to the subcommittee is contained in the "credits" section of this report.

In addition to the hearing process, the subcommittee's study included (1) communications with organizations in Nevada and other states concerned with mobile home related issues; (2) a review of other states' legislation; (3) a review of court decisions dealing with mobile home rent review and restrictive zoning; (4) a survey of local governments in Nevada concerning the creation and operation of mobile home landlord tenant mediation boards authorized by A.B. 784 (chapter 692, Statutes of Nevada 1979); (5) a survey of all 50 states inquiring if mobile homes are taxed as real property or excluded from sales tax;* (6) a survey of all local governments in Nevada inquiring about the existence of ordinances which prohibit mobile homes from being permanently affixed to land; (7) a survey of housing authorities in Nevada requesting information concerning the actions those authorities have taken relative to the passage of S.B. 550 (chapter 513, Statutes of Nevada 1979), which enables housing authorities to develop or purchase mobile home parks, as well as lease or rent park spaces and to lease or rent mobile homes to certain eligible people; (8) ongoing communications and requests for information from various Nevada state agencies including the manufactured housing division of the department of commerce, the department of taxation and the health division of the department of human resources; and (9) the review of various publications relating to mobile home issues.

*Appendix A contains responses to staff's survey letter to other states inquiring if mobile homes are taxed as real property or excluded from sales tax.

During the subcommittee's study, the members became concerned that the data the subcommittee was accumulating through the normal interim subcommittee process needed to be augmented with unbiased, professionally obtained survey information for the 1981 legislature to make informed decisions concerning legislation relative to mobile home parks. Accordingly, the chairman of the subcommittee requested funding to contract for a professional survey of owners or operators and tenants of mobile home parks. The legislative commission, at its February 27, 1980, meeting, authorized the expenditure of $4,125, for Clark County Community College, North Las Vegas, Nevada, to perform the survey to obtain information about persons living on fixed incomes in mobile home parks, mobile home park space rent increases, the number of mobile home park spaces in Nevada, perceived problems of mobile home park landlords and tenants, trends away from "family parks" and representative opinions on other subjects of importance to the subcommittee. The college has contracted with the legislative counsel bureau to prepare a written report describing and analyzing data obtained from the survey by December 1, 1980. The subcommittee believes the information contained in the report will be of considerable importance to the 61st session of the Nevada legislature.

To better appreciate the context of this report and the activities as the subcommittee began its work, it may be useful to recount the legislation of the 60th session concerning mobile homes, mobile home parks and mobile home park landlord and tenant relations. Appendix B contains a summary of certain of the bills, relating to these topics, considered or enacted by the 1979 legislature.

As this report was being prepared in May of 1980, there was a strong possibility of the MX missile system being placed in Nevada. If this occurs, it could lead to explosive growth and this growth will undoubtedly result in many new mobile homes and mobile home parks coming to our state. The subcommittee wants to ensure that this growth enhances Nevada's communities and provides a decent and pleasant place to live for those people who choose to reside in mobile homes. With this in mind, it offers its recommendations and suggestions for legislation to the 1981 legislature.

II. FINDINGS AND RECOMMENDATIONS

The following sections of this report represent the subcommittee's recommendations and legislative proposals for changes needed to assuage the problems of owners and renters of mobile homes in Nevada.

A. MOBILE HOME DEALERS, MANUFACTURERS, REBUILDERS, SERVICEMEN AND SALESMEN

Several of the presentations made to the subcommittee addressed changes needed in the licensing requirements for mobile home dealers, manufacturers, rebuilders, servicemen, salesmen and installers, problems caused by insolvent mobile home dealers and problems caused by the fraudulent practices of a few mobile home dealers. The next sections of this report address the subcommittee's suggested remedies to deal with those issues and problems.

1. The Definition of Servicemen Who Work on Mobile Homes.

Under chapter 489 of NRS certain persons who repair mobile homes must obtain licenses from the manufactured housing division. Section 7 of senate bill 474 (chapter 573, Statutes of Nevada 1977) added the definition of servicemen to chapter 489 of NRS. It said:

> * * * "Serviceman" means a person who installs or repairs skirting, awnings, fixtures or appliances on or in mobile homes or commercial coaches, except:
> 1. Any person employed by a licensed manufacturer; and
> 2. The purchaser of a mobile home or commercial coach.

In 1979, S.B. 173 (chapter 592, Statutes of Nevada 1979) which is codified as NRS 489.145, modifed the definition of serviceman. The definition now reads:

> * * * "Serviceman" means a person who owns or is the responsible managing employee of a business which installs or repairs electrical or plumbing fixtures, devices or appliances on or in mobile homes or commercial coaches, except:
> 1. Any person employed by a licensed manufacturer; and
> 2. The owner or purchaser of a mobile home or commercial coach.

According to James I. Barnes, chief deputy attorney general, this change narrowed the definition of serviceman to only those persons who perform electrical or plumbing work in or on a mobile home.*

Witnesses appearing before the subcommittee, including the administrator of the manufactured housing division, advised

*See memorandum to Wayne Tetrault, administrator of the manufactured housing division, from James I. Barnes, chief deputy attorney general, concerning definition of serviceman contained in section 73 of S.B. 173 (chapter 592, Statutes of Nevada 1979).

that a preponderance of the problems arising from repairs made to mobile homes relates to repairs to awnings and skirting and other fixtures. The subcommittee believes NRS 489.145 should be amended to require a person who performs such work to obtain a license from the manufactured housing division. It therefore recommends:

> The definition of serviceman contained in NRS chapter 489 be revised to include those who install or repair skirting, awnings, roofing, fixtures, appliances and devices on or in mobile homes or commercial coaches except (1) any person employed by a licensed manufacturer, or (2) the owner or purchaser of a mobile home or commercial coach. (BDR 43-15)

2. More Stringent Standards for Mobile Home Dealer's, Manufacturer's, Rebuilder's, Serviceman's, Installer's and Salesman's License

During the subcommittee's hearings it was pointed out on several occasions that most mobile home dealers and other persons licensed under the provisions of chapter 489 of NRS are honest, legitimate businessmen who fill a substantial need in Nevada's communities. The misdeeds of a few, however, cause severe financial hardships to unsuspecting consumers and tend to discredit the mobile home industry. Witnesses appearing before the subcommittee made several suggestions to deal with these problems. The subcommittee thought the following had the most merit.

a. Information About Applicant's Character, Honesty, Integrity, Fitness and Reputation

According to the chief of the consumer fraud unit of the Clark County district attorney's office, many of the mobile home licensees who become involved in unlawful or unscrupulous activities have past histories of such activities in other states. He, and other witnesses, feel that background investigations need to be improved to screen out persons with histories of poor business practices or criminal records. In this regard, the administrator of the manufactured housing division advised that an investigation is made of potential licensees but that because of Federal regulations he cannot obtain records of criminal activity which occurred in other states. This situation was substantiated to the subcommittee by a letter to Barton Jacka, director of the department of motor vehicles from Nick F. Stames, assistant director of the Identification Division, Federal Bureau of Investigation (FBI), U.S. Department of Justice. Portions of that letter state:

> * * * Legislative authority for the Attorney General of the United States to acquire and exchange criminal identification, crime, and other records is found in Title 28, United States Code (USC), Section 534. The Attorney General delegated this authority to the Director of the FBI, pursuant to Title 28, Code of Federal Regulations (CFR), Section 0.85 (b) and (j). Guidelines for the dissemination of FBI identification records are set forth in Title 28, CFR, Section 20.1 et seq. In addition, if authorized by state statute and approved by the Attorney General, the FBI can exchange identification records with officials of state and local governments for purposes of employment and licensing. However, in all instances, such exchange is subject to cancellation if dissemination is made outside the receiving departments or related agencies. * * *
>
> * * * It is necessary for a Nevada statute to require that a person seeking employment * * * be fingerprinted, and to also authorize a Nevada governmental agency to exchange criminal history information with the Federal Government, before consideration can be given by the FBI to provide criminal history information as requested. * * *

NRS 489.311 requires the division to, "investigate any applicant for a license and complete an investigation report on a form provided by the division." The subcommittee believes that to remedy the situations mentioned above, the scope of the investigation needs to be made specific and authorization for the division to obtain records of criminal histories from the FBI needs to be placed in the law. The subcommittee therefore recommends:

a) Every applicant who applies for a manufacturer's, dealer's, rebuilder's, serviceman's, installer's, or salesman's license under NRS chapter 489 be required to provide the manufactured housing division with information about the applicant's character, honesty, integrity, fitness and reputation.

b) Upon receipt of an application for a license which is accompanied by the appropriate fee, the division, within 120 days, make a thorough investigation of the information contained in the application. Such investigation must include a review of the applicant's state and national records of criminal history obtained from a repository of Nevada records of criminal history and from the Federal Bureau of Investigation's National Crime Information Center.

c) The subcommittee recommends further that each applicant be fingerprinted. (BDR 43-15)

b. Examinations for Dealer's, Installer's, Salesman's and Serviceman's License

A review of Title 54 of NRS "Professions, Occupations and Businesses" reveals that most occupations require licensees to have specified background, training or education and that applicants must successfully pass an examination. For example, in providing for the examination of real estate salesman, subsection 1 of NRS 645.460 says:

> * * * In addition to the proof of honesty, truthfulness and good reputation required of any applicant for a real estate license, the division shall ascertain by written examination that the applicant has an appropriate knowledge and understanding of those subjects which commonly and customarily apply to the real estate business.

The manufactured housing division, under NRS 489.351, is permitted to require oral or written examinations of the applicants for an installer's, salesman's, or serviceman's license. Dealers are not mentioned. The administrator of the division advises that no examinations are currently required for any person licensed under chapter 489 of NRS.

The subcommittee believes that considering the current cost of a mobile home, which can exceed $50,000 for a doublewide and averages approximately $35,000, that persons who sell or repair mobile homes should be able to demonstrate their knowledge and technical skills to perform their occupation.

California has determined this need. California West's Annotated Vehicle Code section 11704.5 requires dealers and salesmen to take either a written or oral examination covering topics such as, "subjects relating to mobile homes, laws relating to contracts for the sale of vehicles, laws covering truth in lending and division and warranty requirements."

The subcommittee believes licensees under chapter 489 of NRS should be tested. It therefore recommends:

> NRS 489.351 be amended to require that the manufactured housing division require a written or oral examination of each applicant for a dealer's, or responsible management employee's, installer's, salesman's or serviceman's license. The subcommittee recommends further that current licensees be required to pass the appropriate examination as a condition of license renewal;

but, that no licensee be required to complete successfully more than one examination for a specific license. (BDR 43-15)

3. Mobile Home Dealers' Recovery Fund

Several persons, including the administrator of the manufactured housing division, told the subcommittee that additional remedies need to be added to the law to ameliorate the difficulties of persons who are financially injured by mobile home dealers.

Under existing law (see paragraph (d) of subsection 1 of NRS 489.321) licensed mobile home manufacturers, dealers and rebuilders must furnish surety bonds of $10,000 or other specified security. The bond must be conditioned on the conduct of business by the applicant without fraud or fraudulent misrepresentation and without violation of any provision of chapter 489 of NRS, including fraud or violation by salesmen of dealers and rebuilders acting within the scope of employment, and must provide that any person injured by an action of the dealer, rebuilder, manufacturer or salesman may bring an action on the bond.

The subcommittee feels, with the current cost of mobile homes, that a $10,000 bond is insufficient. Additional safeguards suggested to the subcommittee were increasing the bond level or providing for a mobile home recovery fund. Because of the similarity between the sale of conventional homes and mobile homes, the subcommittee looked to the statutory provisions relating to real estate brokers and salesmen for the answer. NRS 645.841 to 645.8494, inclusive, contain provisions for a real estate education, research and recovery fund. The law specifies the creation, use, balances and procedures for recovery from the fund.

The subcommittee believes similar remedies should be available for the purchasers of mobile homes and therefore recommends:

A fund for recovery be created as a special revenue fund for the purpose of satisfying claims against persons licensed under chapter 489 of NRS. (BDR 43-15)

4. Receivership Procedure for Mobile Home Dealers in Financial Difficulty

According to the administrator of the manufactured housing division, over the last 3 years seven mobile home dealers have become financially insolvent or delinquent causing approximately $1 million in financial injury to mobile home

purchasers. These losses have come from lost cash deposits for mobile home purchases and from lost funds relating to prepaid service contracts.

The administrator of the manufactured housing division believes a receivership procedure is needed in the mobile home law to cover delinquency proceedings for mobile home dealers and has suggested the following grounds for conservation or rehabilitation:

a. If the dealer is in unsound condition, or is using, or has been subject to such methods and practices in the conduct of his business as to render the further transaction of business presently or prospectively hazardous to creditors, or the public;
b. If the dealer's solvency is endangered by illegal action;
c. For material falsification of the dealer's records, reports or financial condition;
d. If the administrator finds after hearing that any individual exercising executive power with respect to or otherwise materially influencing or controlling the dealership, directly or indirectly, is dishonest or untrustworthy in matters affecting the dealership, and has not been or cannot be effectively and permanently removed from such power, influence, or control;
e. For unlawful concealment or removal by the dealer of any of his records or assets;
f. For failure of the dealer to submit his books, accounts, records and affairs to the administrator for reasonable examination;
g. For failure of officers, employees and other representatives of the dealer to comply promptly with the reasonable requests of the administrator for the purposes of and during the conduct of any examination;
h. If a dealer has willfully violated the licensing laws of this state;
i. If there has been received by the administrator in any 12 month period more than six major complaints which have been found, upon thorough investigation, to be valid;
j. If the administrator finds, upon examination, that the dealer is not paying to the state the taxes the dealer is required to collect in the course of his business;
k. If the administrator finds, upon examination, that the dealer is not paying off the pre-existing financing on manufactured housing which he has taken as a trade-in;

1. If the administrator finds, upon examination, that the dealer is not complying with the licensing provisions, which are applicable to him.

Based on several presentations, the subcommittee concurs with the administrator's contention that a receivership procedure is needed and therefore recommends:

A receivership procedure be established in the law for insolvent mobile home dealers. (BDR 43-15)

B. MOBILE HOME ESCROW LAW

It is unusual in the legislative process when opponents on most issues appear to agree on an issue which, on its face, would seem controversial. Representatives of mobile home landlord groups, mobile home tenants' associations, the Clark County district attorney's office, the attorney general's office and bankers in Nevada all agree that a mobile home escrow law should be added to the NRS. Representatives of the Nevada Manufactured Housing Association also agreed with the concept of a mobile home escrow law but suggested that it be made optional.

During the course of the subcommittee's study, a series of newspaper articles were published in the Las Vegas Sun which illustrate the need for a mobile home escrow law.* In these articles incidents of fraudulent practices by a mobile home dealer were discussed. These practices included the dealer allegedly representing rental-purchase option agreements as sales contracts. Other examples of fraudulent practices, or in some cases "misunderstandings," between dealers and mobile home purchasers were identified to the subcommittee which also address the need for a mobile home escrow law covering the sale of mobile homes.

California West's Annotated Civil Code section 11960, "Mobile home escrow accounts; civil action; waiver of rights" contains provision for mobile home escrow accounts. The law, as proposed for amendment by California assembly bill 2915, has features similar to the following:

1. Every new or used mobile home dealer, upon the buyer's signing of a purchase order or conditional sales contract or security agreement for a new or

*See "State Probes Vegas Mobile Home Dealer" in the February 18, 1980, Las Vegas Sun, "State Probes Mobile Home Dealer For Possible Violations" in the February 19, 1980, Las Vegas Sun, "Reforms Needed To End Mobile Home Sales Fraud" in the February 20, 1980, Las Vegas Sun, and "Bryan Joins Las Vegas Home Probe" in the February 21, 1980, Las Vegas Sun.

used mobile home, must establish with an escrow agent an escrow account into which must be deposited any cash or cash equivalent received from the buyer at any time prior to delivery as whole or partial payment for the mobile home.

2. No deposits may be disbursed from the escrow account to the dealer until any one of the following conditions are met: (a) the buyer receives delivery of the mobile home installed by the seller as required by the escrow instructions and by law, (b) the buyer receives delivery on the site and the mobile home has passed inspection by a public agency, (c) the mobile home has been delivered to the location specified in the escrow instructions and the installation is to be performed by the purchaser.

3. The public agency performing inspection of the mobile home installation gives either a copy of the certificate of occupancy or the statement of installation to the buyer. If a portion of the amount in the escrow account is for accessories to the mobile home, those portions of the amount are not released until the accessories are actually installed. If no inspection is required, deposits are disbursed from the escrow account upon delivery of the mobile home to the buyer.

4. The escrow terminate and a full refund is made to the buyer 120 days after the date of the sales contract unless delivery is made within this period. However, the parties are permitted by mutual consent to extend the time in writing for 30-day periods with notice to the escrow agent.

5. The escrow law applies to all sales by mobile home dealers.

6. The real estate division of the department of commerce is required to adopt and amend as necessary rules and regulations for the establishment and maintenance of the escrow accounts with licensed escrow agents or escrow companies.

7. No mobile home dealer may establish with an escrow agent an escrow account in an escrow company in which the mobile home dealer has more than a 5 percent ownership interest.

8. Prior to the close of escrow, the dealer must furnish the escrow agent with all of the following:

   a. The name and address of the legal owner of, or the lien holder on, the mobile home as set forth on the certificate of ownership, certificate of title, or the manufacturer's certificate of origin.

   b. A signed and acknowledged release of all rights, title or interest in the mobile home held by either the legal owner or lien holder, whichever is applicable. Any such release be conditioned upon the receipt of payment from the escrow account of the amount set forth in the release as necessary to terminate the interest in the mobile home.

9. A civil cause of action is provided against any person who violates the escrow law. The prevailing party in such action be awarded actual damages plus an amount not in excess of ($2,000). In addition, reasonable attorneys' fees and court costs are to be awarded to the prevailing party.

10. No agreement may contain any provision by which the buyer waives his right under the Mobile Home Escrow Law, and any such waiver be deemed contrary to public policy and is void and unenforceable.

The subcommittee understands that there are certain remedies under existing state and Federal law for mobile home purchasers who are financially injured because of misrepresentations or other fraudulent practices by unscrupulous mobile home dealers or salesmen. It believes, however, that a workable mobile home escrow law would obviate the necessity for these remedies, which usually occur after a person is injured. Existing remedies punish offenders. A workable escrow law would help to prevent the offense from occurring. The subcommittee would like to prevent the possibility of any retired person going through a lengthy criminal or civil action in an attempt to recoup his life savings from an unscrupulous mobile home dealer. It therefore recommends:

A mobile home escrow law be added to NRS. (BDR 52-16)

C. MOBILE HOME TAXATION

During the subcommittee's meetings, concern was expressed about the manner in which mobile homes are valued for property tax purposes. Discussion was also had about sales tax

on mobile homes and the government services persons who reside in mobile homes receive for their tax payments. It was observed that many of these issues were addressed by recommendations made by the 1973-74 legislative interim subcommittee which studied the methods, procedures and basis of taxation of mobile homes. (See Legislative Counsel Bureau Bulletin 119.) In response to these concerns, the subcommittee sent a letter to the department of taxation requesting information on actions which have been taken in response to the recommendations contained in LCB bulletin 119. As can be seen in the following quote from the department's response, it appears that recommendations 4, 5 and 7 of LCB bulletin 119 have not been fully carried out. The quote shows these recommendations and the department's response to them:

4. That stratified depreciation for mobile homes be studied now with the object of implementation in the near future.

   The Nevada Tax Commission sets a depreciation schedule for the assessment of mobile homes. The schedule is printed in a bulletin and published annually.

   A study of the assessment of mobile homes was conducted by the Department's Division of Assessment Standards and submitted to the Nevada Tax Commission in June of 1978. The Commission is considering changes to the present method of assessment but, to date, no formal action has been taken.

5. That the city-county relief tax generated by mobile homes be returned to the county of placement if different from the county of sale to help finance community services.

   Mobile home dealers normally specify the place of delivery on the monthly reporting form. In this instance, the sales tax is credited to that county. To my knowledge, there is no existing regulation, guideline or law which requires this form of reporting. This department advises dealers to use this method of reporting. It evolved at the time when many of the counties had not enacted the city-county relief tax and the consumer did not want to pay 3-1/2% tax at the place of sale if the place of delivery only had 3% tax.

7. That the Nevada Tax Commission "computerize" its valuation program for mobile homes.

> The Nevada Tax Commission does not have a computerized valuation system for mobile homes.
>
> $40,000 was appropriated to the 1975-77 Biennium department budget. The prior administration did not utilize this funding and it reverted to the general fund in 1978.

As noted in the introduction, the subcommittee also surveyed all 50 states inquiring if each state permits mobile homes to be taxed as real property or excludes mobile homes from sales tax. A chart containing a compilation of the responses is contained with this report as appendix A.

Based on witnesses presentations and the written responses it received from other states, the subcommittee has the following two recommendations concerning mobile home taxation.

1. Mobile Homes Treated as Real Property to be Exempt from Sales Tax

Assembly bill 211 (chapter 447, Statutes of Nevada 1979), which is summarized in appendix B, causes certain mobile homes to be treated as real property. The subcommittee believes that mobile homes treated as real property for tax purposes should enjoy the same exemption from sales tax as do conventionally built housing. According to information received by the subcommittee, New Jersey and Washington exempt mobile homes from sales tax and Colorado and Wisconsin partially exempt mobile homes from sales tax. The subcommittee's response from New Jersey indicates:

> Any sale of a mobile home assessed and taxable as real property is required not to be subject to sales tax, except in the case of the sale of a new or previously unused mobile home which is subject to sales tax only to the extent of the taxation of the sale of tangible personal property for building construction. Mobile homes permanently attached are treated as real property.

The subcommittee believes similar provisions should be incorporated in NRS and therefore recommends:

> Any sale of a mobile home which is to become assessed and taxable as real property not be subject to sales tax. (BDR 32-17)

This recommendation could be carried out on a sales tax refund basis after it was determined that a mobile home has

become permanently affixed to land and comports with other statutory provisions making it real property.

2. Revised Depreciation Schedule for Mobile Homes

Legislative Counsel Bureau Bulletin 119 provides a comprehensive discussion of mobile home valuation for tax purposes and describes the depreciation schedules used by assessors to determine the level of property taxes paid on a mobile home. As noted earlier, the bulletin also recommends that the existing depreciation schedule for mobile home valuation be revised.

According to several witnesses, the tax commission's existing mobile home depreciation schedule is outdated and based on faulty assumptions concerning the time frame within which mobile homes depreciate in value and the rate at which they depreciate. Presentations to the subcommittee indicate that certain mobile homes actually appreciate in value. Some persons appearing before the subcommittee pointed out that new mobile home tax appraisal guides, such as the National Automobile Dealers Association's "Mobile Home Appraisal Guide," could be of use to the tax commission in revising its mobile home depreciation schedule. Correspondence to the subcommittee from the department of taxation says:

> For purposes of mass appraisal the adoption of a guide based upon sales of mobile homes on a regional basis would be useful. The National Automobile Dealers Association publishes such a guide. This "Mobile Home Appraisal Guide" allows the option of valuing add-ons and for accounting for location and condition should such refined values be necessary. The Department is continuing to study the use of this guide and may, at some future time, recommend its adoption by the Nevada Tax Commission.*

No matter what guide is used, the subcommittee believes that the department of taxation's mobile home depreciation schedule needs to be updated. As noted on page 11 of LCB Bulletin 119:

> Since they serve as housing for a progressively larger percentage of the population each year, mobile homes

*See letter, dated November 5, 1979, from Roy E. Nickson, executive director of the department of taxation, to Donald A. Rhodes, chief deputy research director, contained with exhibit A to the subcommittee's minutes for its January 3, 1980, minutes.

have important economic effects on the community as a whole. The primary criticism leveled against them seems to be that they create a tax burden on the communities in which they are placed--that mobile homes are not paying their "fair share" of the cost of community services. If communities are to permit the use of mobile homes as residences, their occupants must be expected to support local budgets and should be taxed on the same basis as other residents unless adequate reasons can be found for disparate treatment.

The subcommittee believes a revised mobile home depreciation schedule will help dispel the view that mobile homeowners are not "paying their fair share" and also provide for more equitable taxation of all property owners during this time of concern about equitable and appropriate tax levels. It therefore recommends:

The Nevada tax commission revise the depreciation schedule for mobile homes to comply with the legislative mandate in NRS 361.325 (1) (b) to classify mobile homes on the basis of those factors which most closely determine their service lives and fix and establish their valuation for assessment purposes.

D. FINANCIAL AND TECHNICAL ASSISTANCE FOR MOBILE HOMES AND MOBILE HOME PARKS

As the price of conventional homes continues to rise, mobile homes offer an increasingly attractive source of home-ownership for low and moderate income Nevadans. Yet, the costs of financing the purchase of mobile homes and the development of new mobile home parks have increased home ownership costs beyond the reach of many low and moderate income families and senior citizens on fixed incomes. New park spaces now cost over $11,000 to develop, requiring higher rents, and in the case of condominium mobile home parks (sometimes known as estate mobile home parks), higher purchase prices.

The 1979 legislature recognized the financial difficulty of certain low and moderate income persons in obtaining mobile home housing and enacted legislation to enable the state and local governments to provide assistance. The primary focus of these measures was the development of more mobile home spaces that could be rented at low cost to persons on fixed incomes. The legislature felt that increasing the number of mobile home spaces available would assist the normal free market mechanisms to favorably affect mobile home space rent.

One measure passed by the 1979 legislature expands the powers of housing authorities. The bill, S.B. 550 (chapter 513, Statutes of Nevada 1979) includes the acquisition or development of mobile home parks and facilities and the leasing or rental of mobile homes in the definition of housing project under the "housing authorities law." (See NRS 315.140 to 315.780, inclusive.) Under the housing authorities law, local housing authorities may take various actions to provide housing for veterans or low income persons if the governing body of the city or county determines that there is a shortage of safe or sanitary dwelling accommodations and rentals such persons can afford. (See NRS 315.330, 315.440, 315.460 and other applicable sections of chapter 315 of NRS.)

As noted in the introduction to this report, the subcommittee surveyed the housing authorities in Nevada to determine what actions they had taken in response to the passage of S.B. 550. According to the responses the subcommittee received, it appears that the housing authority of the City of Las Vegas has developed a 72-space senior citizens mobile home park and plans to expand the park by 79 spaces. The housing authority of Clark County is proposing, at the time this report was prepared in May of 1980, the development of a 100 rental space senior citizens mobile home park if certain water and financing problems can be resolved, and the housing authority of the City of Reno is considering the development of a "small" mobile home park on city-owned land. Another 380-space park for low or fixed income senior citizens is being planned by the Las Vegas Jaycees Incorporated. The Jaycees hope to purchase or lease this land from the Bureau of Land Management (BLM) with the Clark County Housing Authority acting as a sponsor. This arrangement is necessary for the Jaycees to be able to acquire the BLM land at reduced cost.

Another measure the 1979 legislature enacted to provide for the development of low cost housing, including mobile homes, was S.B. 127 (chapter 588, Statutes of Nevada 1979). The bill, among other things, permits the housing division of the department of commerce to acquire and sell land for the development of housing for persons of low or moderate income. Under the provisions of section 2 of the bill, which is codified as NRS 319.175:

> * * * The division, with the approval of the state board of finance:
> 1. May acquire land from any governmental agency;
> 2. Shall sell the land for the purpose of development of housing for persons of low or moderate income pursuant to this chapter; and
> 3. Shall charge a price for the land which is equal to its cost of acquiring and transferring the land.

The subcommittee commends the 1979 legislature for its action to provide affordable housing for the elderly and persons on low and fixed incomes. It believes state and local governments should pursue vigorously their authority under these measures to provide for the development of affordable mobile home housing and developments and makes the following recommendations in that regard.

1. Loans and Technical Assistance by the Housing Division

Chapter 319 of NRS gives the housing division broad authority to provide advice, technical information and assistance for the development of housing (see NRS 319.160); to make loans to finance the construction or rehabilitation of multifamily residential housing (see NRS 319.190); and to make loans to lending institutions under terms and conditions requiring the proceeds of the loans to be used by the lending institutions for the making of new mortgage loans for residential housing [see paragraph (a) of subsection 1 of NRS 319.230].

Concerning information, research and promotion, NRS 319.160 says:

> The division may provide advice, technical information, training and educational services, conduct research and promote the development of housing, building technology and related fields.

Until recently, the housing division has focused its efforts on conventional housing. The subcommittee believes those efforts should be expanded to include mobile homes. It therefore recommends:

> The housing division of the department of commerce use its authority under NRS chapter 319 to provide assistance to low and moderate income persons who wish to purchase mobile homes and to assist in the development of new mobile home developments including mobile home parks. The subcommittee specifically recommends:
>
> a. The housing division provide loans to nonprofit corporations and local agencies attempting to develop new mobile home developments.
>
> b. The housing division provide advice and technical information as specified in NRS 319.160 to those wishing to develop mobile home parks affordable to low and moderate income households.
>
> c. The housing division make loans for the following reasons:

(1) To finance the development of mobile home parks which will be cooperatively owned or rented by households of low and moderate income.
(2) To finance the development of mobile home subdivisions, provided that the mobile homes will be purchased by lower and moderate income households.

2. Housing Division to Report Back on Assistance to Mobile Homeowners and Changes Needed in Chapter 319 of NRS

During the subcommittee's meeting on April 18, 1980, the administrator of the housing division reported on problems he envisions with the bond market and Federal regulations if the division attempts to carry out the preceding recommendation. The subcommittee intends that the division carry out its recommendation to the fullest extent possible. If there are problems in doing so, the legislature should be advised. The subcommittee therefore recommends the following:

The housing division report:

a. Annually on the number of mobile homeowners whom it assists under the provisions of chapter 319 of NRS.

b. Back to the legislature by January 1, 1983, with the changes it believes are necessary in chapter 319 of NRS for the division to provide financial assistance, technical information or to promote the development of mobile home parks or mobile home housing. (BDR 25-18)

3. Housing Division Urged to Acquire Land for Mobile Home Parks

The subcommittee firmly believes one of the best solutions to the problems faced by owners and renters of mobile homes is the development of more mobile home parks and the expansion of the number of locations where mobile homes can be located. As noted earlier, housing authorities and nonprofit corporations are beginning to assist in this endeavor. The subcommittee believes the housing division of the department of commerce should also be involved. It therefore recommends:

The 1981 legislature enact a concurrent resolution urging the housing division of the department of commerce to vigorously pursue its authority under NRS chapter 319 to acquire land from any governmental agency and to sell such land at cost for the purpose of

developing mobile home parks for persons of low and moderate income. (BDR 21)

The subcommittee sincerely hopes that the division acts in good faith and begins carrying out the intent of this recommendation prior to the actual passage of the concurrent resolution by the 1981 legislature.

4. Contributions Contracts for Rental Assistance to Mobile Homeowners

The United States Housing Act provides for "lower-income housing assistance" under 42 USCA 1437F. Subsection (j) of that law speaks to "Contributions contracts for rental assistance to mobile homeowners."*

*Subsection (j), "Contributions contracts for rental assistance to mobile homeowners," of 42 USCA 1437F, "Lower-income housing assistance," of the United States Housing Act, says:

> (j) (1) The Secretary may enter into annual contributions contracts under this subsection for the purpose of assisting lower income families by making rental assistance payments with respect to real property on which is located a mobile home which is owned by any such family and utilized by such family as its principal place of residence. In carrying out this subsection, the Secretary may (A) enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into contracts to make such assistance payments to the owners of such real property, or (B) enter into such contracts directly with the owners of such real property.
>
> (2) Contracts entered into pursuant to this subsection shall establish the maximum monthly rent (including maintenance and management charges) which the owner is entitled to receive for each space on which a mobile home is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this subsection. The provisions of subsection (c) (2) of this section shall apply to the adjustments of maximum monthly rents under this subsection.
>
> (3) The amount of any monthly assistance payment with respect to any family assisted under this subsection shall be the difference between 25 per centum of
> * * * (continued at bottom of next page) * * *

The subcommittee understands the funding mechanism for the lower-income rental assistance is administered through local housing authorities in Nevada.

According to testimony and correspondence from the administrator of the housing division, there are certain problems with the Federal mobile home rental assistance program including insufficient funds available for space rents and lack of distinction between funding available for mobile home space rents and other forms of housing rental assistance. In an April 10, 1980, letter to the subcommittee, the administrator of the housing division advises:

> * * * The U.S. Department of Housing and Urban Development does have Section 8 rental assistance for mobile homes. It is in two forms.
>
> a. The first is rental assistance payments on existing housing. Rural area California public housing authorities reportedly have tried to use it where the owner of the mobile home park owns the pad and the mobile home and then rents both to a tenant as a package rent. The Reno Housing Authority has some existing Section 8 funds applied to eligible families who rent a mobile home; the park owner includes the mobile home and pad rent in the monthly rental rate to the tenant.
>
> b. The second is a new (but as yet unused) program which includes new construction of mobile home parks. The Section 8 rental assistance will be applied to only the rental of the pad (and not the mobile home).

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* * * (continued from previous page) * * *
one-twelfth of the annual income of such family and the sum of - * * *

(A) the monthly payment made by such family to amortize the cost of purchasing the mobile home;

(B) monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

(C) the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its mobile home;

except that in no case may such assistance exceed the total amount of such maximum monthly rent.

(4) Each contract entered into under this subsection shall be for a term of not less than one month and not more than 180 months.

(5) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this subsection and which are consistent with the purposes of this subsection. As amended Oct. 31, 1978, Pub.L. 95-557, Title II, § 206 (d) (1), (e), (f), 92 Stat. 2091, 2092.

Additional comments regarding Section 8 for mobile homeowners and tenants:

a. There is no special set-aside (allocation) of Section 8 funds for use with mobile homeowners. For example, in the Existing Section 8 program, an eligible tenant under the "finders-seekers program," can locate and occupy either an apartment or a mobile home.
b. It may be necessary for a public housing authority to adopt a modification to its housing standards code to include mobile homes as acceptable housing.
c. Problems reported by the Reno Housing Authority were:
1) The HUD maximum limit on pad rents is too low, and therefore, unrealistic. This is caused by the lack of adequate supply of mobile home pads available in order to keep pad rental rates down.
2) The "finders-keepers program" process is slow. The proposed rental unit has to be inspected by HUD to meet quality standards.
3) There are too few Existing Section 8 units funded by HUD.*

The subcommittee believes the federal rental assistance program for mobile home space rents fills a great need for low income persons. It has two recommendations pertaining to the program. First, it believes housing authorities in Nevada should pursue and obtain funding for deserving Nevada residents who reside in mobile home parks. This can be accomplished, in part, by the authorities giving preference in the "administrative plans" they submit to the Department of Housing and Urban Development (HUD) to mobile homeowners. Without such preference, mobile homeowners may be given very low priority for space rent assistance. The subcommittee therefore recommends:

The 1981 legislature enact a concurrent resolution urging each housing authority in Nevada to vigorously pursue and obtain funding for the contributions contracts for rental assistance to mobile homeowners provided for in subsection (j) "Contributions contracts for rental assistance to mobile homeowners," of 42 USCA 1437F "Lower-income housing assistance." (BDR 19)

*See letter dated April 10, 1980, to Donald A. Rhodes, chief deputy research director, from A. L. McNitt, Jr., administrator of the housing division, contained as exhibit B to the subcommittee's April 18, 1980, minutes.

Second, it believes that Congress should provide increased funding specifically for mobile home space rent assistance. It therefore recommends:

> The 1981 legislature adopt a joint resolution memorializing Congress to provide increased funding specifically for contributions contracts for rental assistance to mobile homeowners who reside in mobile home parks and pay space rents. (BDR 20)

E. COMPUTATION OF INTEREST ON INSTALLMENT LOANS FOR PURCHASE OF MOBILE HOMES

Under existing law for certain installment loans and thrift company loans, interest or finance charges are permitted to be precomputed and added to the principal of the loan for the determination of the installment payment schedule. (See, for example, NRS 675.290, "Authorized charges: Interest; default and deferment charges; refunds; prohibited practices; when loan contracts void," and NRS 677.670, "Amount, computation of interest charges on loans under $5,000; conditions for single payment loans; prohibited acts.")

In these precomputed transactions, the payment schedule for interest or charges are usually calculated according to the so-called rule of 78, or sum of the digits method. Simply put, under the rule of 78 system for a year long loan the numbers one through 12 are added together to obtain the sum of 78. This becomes the denominator of the fraction which is multiplied against a declining balance to determine how much the borrower pays in each installment for interest and principal. The numerator for the first payment is the number 12. Each successive month the number is reduced by one.

The rule of 78 method, according to witnesses appearing before the subcommittee, works to the detriment of the borrower and this disadvantage becomes increasingly significant as the loan amount increases or the term of the loan increases. It can result in substantial interest penalties for early loan payoff. It can also result in penalties for refinancing the debt, extending a loan's maturity date or from combining one loan with another. Material given to the subcommittee illustrates that, in some instances, the early payoff of a loan under the rule of 78 can cause a borrower to pay the lender more than the initial principal he owed.*

*See Mobile Home Owner's League of the Silver State, Inc.'s material contained as appendix C to the subcommittee's March 21, 1980, minutes and Sylvia Porter's "Your Money's Worth" in the Sunday, April 20, 1980, Gazette Journal.

A quote from Sylvia Porter's "Your Money's Worth" in the Sunday, April 20, 1980, Gazette Journal illustrates the effect that the rule of 78 can have:

> Several years ago, Larry and Margaret Miller of Thompson Falls, Mont., took out about an $18,000 loan from a finance company to help them start building their own home. They told the loan officer that they wanted to refinance through the local bank as soon as they could and were assured they would not be charged a prepayment penalty.
>
> About three years after they had received the money, Mrs. Miller asked the finance company how much she owed to pay off her loan.
>
> The answer: Nearly $20,000.
>
> Mrs. Miller was stunned. She hired two lawyers, contacted her state attorney general and the Federal Trade Commission. Still, the reply came back: "under the rule of 78's, it is legal."
>
> The Millers had to sell their unfinished home.
>
> "Leaving it was the hardest thing we've ever done. We've given up. We won't try again," the mother of three told my associate Brooke Shearer. "We just 'barely get by' and Larry," now a logger, "won't even try anymore."
>
> The Federal Trade Commission estimates that the "rule of 78's" costs finance company customers like the Millers more than $112 million a year in overcharges. Others put the toll more conservatively - at $50 to $100 million for all borrowers.

Real estate loans in Nevada are not subject to the rule of 78. Moreover, NRS 673.330, "Limitation on charge for prepayment of loan," limits charges for the privilege of prepayment in part or in full of any real property loan to an amount not greater than 180 days' interest on the amount prepaid. The subcommittee feels mobile home purchasers should also be excluded from the rule of 78.

The last legislature, through A.B. 211 (chapter 447, Statutes of Nevada 1979) authorized certain mobile homes permanently affixed to land to be treated as real property for loan purposes. This could remedy a portion of the rule of 78 problem. The subcommittee believes, however, no mobile home purchaser should be subject to a loan where interest or finance charges are added to the initial principal of the loan or amount of credit. Mobile home

purchasers should have the right to prepay in full the unpaid balance of any loan or credit sales contract secured by their mobile home and to receive a refund on the unearned portion of the interest or finance charge. The subcommittee therefore recommends:

> A borrower or a purchaser, under a loan contract or credit sale contract secured by a mobile home, be permitted to prepay the unpaid balance of the contract and receive a refund of the unearned interest or finance charge. In the event of prepayment in full, the finance charge is to be calculated on a simple interest basis by applying the true annual percentage rate against a declining balance that does not include "added on" interest or finance charges. (BDR 8-26)

F. REGULATION AND INSPECTION OF MOBILE HOME PARKS

A review of the minutes illustrates the level of concern among the witnesses that appeared before the subcommittee about the physical condition of certain mobile home parks, health and sanitation problems and landlord tenant issues. At its work session on April 18, 1980, the subcommittee dealt with these problems and issues separately and decided on the recommendations discussed in the following three sections of this report.

Before discussing these recommendations, a word on governmental regulation is in order. Our country was founded on precepts of individual liberty, rights and responsibilities. Free enterprise is the cornerstone of these precepts and it is generally accepted that no level of government in America should stifle individual initiative or creativity which is so essential to the development of our system of free enterprise.

Through its initiative, the mobile home industry has developed a product which provides safe, comfortable and sound housing to a growing segment of American society. Mobile home park owners and operators are filling a dramatic need for those mobile home owners who wish to place their homes in safe and secure mobile home developments which in many cases offer a wealth of amenities including club houses, swimming pools, meeting rooms, physical fitness areas, picnic and other recreational facilities. Many landlords pointed out the successes of mobile home parks in providing reasonably priced, comfortable surroundings for many of Nevada's citizens. The reality of this observation did not go unnoticed by the subcommittee. The subcommittee commends the industry for its efforts and successes.

The subcommittee believes, however, that government must assure equal opportunity and protection and government must be compassionate in caring for those citizens who are unable

to care for themselves. It must, in effect, be the referee in certain disputes to assure that the disputes are settled fairly and equitably. The disputes and apparent problems in the operation of mobile home parks are what led to the 1979 legislature's passage of A.C.R. 3, which called for a study of the problems of owners and renters of mobile homes.

The principle that government action should be taken by the government that resides closest to the problem is adhered to in each of the following recommendations. Governments tend to become less responsive the farther they are removed from the problem. It must be noted, however, that Nevada, with its broad expanses and widely scattered population centers, is unique and that is why each of the suggestions contain provision for state-level action if local governments do not carry out their responsibilities.

The subcommittee adheres to the principle that individuals acting through voluntary organizations should have the opportunity to resolve their problems. The subcommittee, therefore, wholeheartedly encourages voluntary efforts by mobile home park landlords and tenants to handle their disputes and thereby alleviate the need for government intervention. No business should be stifled or hindered by any of the following recommendations. The recommendations call for action only to ensure that problems affecting mobile homeowners in Nevada do not continue.

1. Uniform Housing Code Provisions for Mobile Home Parks

Several persons appearing before the subcommittee addressed physical conditions in mobile home parks in Nevada. Great variations in construction, upkeep, maintenance and the quality of plumbing and electrical systems were discussed.

The subcommittee notes that the age of a mobile home park and the financial investment in it can greatly affect its quality and construction. Given a true free market system, mobile homeowners could choose the type of mobile home park they wished to reside in. The amenities and condition of the park could then be reflected in the level of space rent. Because of the limited number of mobile home spaces in Nevada, however, the "choice" is restricted and space rents do not necessarily reflect the condition or maintenance of a park.

The subcommittee believes certain basic safety and construction standards should be adhered to no matter the level of the space rent paid in a mobile home park. The California legislature has addressed this issue through its Mobile Home Parks Act (see West's Annotated Health and Safety Code § 18200, et seq.) which deals with construction and maintenance problems. The "findings and purposes" sections of

the act address the California legislature's rationale in enacting the Mobile Home Parks Act. They say:

> 18250. The Legislature finds and declares that increasing numbers of Californians live in mobilehomes and that most of those living in such mobilehomes reside in mobilehome parks. Because of the high cost of moving mobilehomes, most owners of mobilehomes reside within mobilehome parks for substantial periods of time. Because of the relatively permanent nature of residence in such parks and the substantial investment which a mobilehome represents, residents of mobilehome parks are entitled to live in conditions which assure their health, safety, general welfare, and a decent living environment, and which protects the investment of their mobilehomes.
>
> 18251. The Legislature finds and declares that the standards and requirements established for construction, maintenance, occupancy, use, and design of mobilehome parks should guarantee mobilehome park residents maximum protection of their investment and a decent living environment. At the same time, the standards and requirements should be flexible enough to accommodate new technologies and to allow designs that reduce costs and enhance the living environment of mobilehome park residents.

The introduction to this report notes that at the time this report was written in May of 1980, there was a strong possibility of a portion of the MX system being placed in Nevada. This will probably result in a large increase in the number of mobile homes and mobile home parks in the state. The subcommittee believes, therefore, it is important to have the proper controls and review mechanisms concerning the construction, maintenance and operation of these new parks and also the existing mobile home parks to ensure that the parks enhance and do not serve as a detriment to Nevada's communities. If the poor image of the old "trailer park" is ever to be dispelled, proper review mechanisms must be put into effect.

As discussed in the next section, no state agency has specific statutory authority to regulate mobile home parks. The health division of the department of human resources, however, has regulations [see: Regulations governing mobile homes and mobile home parks (trailer courts) adopted September 21, 1970, by the Nevada state board of health] which the state board of health adopted under the provisions of NRS 439.200, pertaining to certain aspects of the construction and operation of mobile home parks. These

regulations, which also address water supply, sewage disposal, refuse disposal, electricity and fire protection and park management, provide for a permit system and local enforcement.

Several persons appearing before the subcommittee suggested that the health division's authority should be restricted to health matters and that the manufactured housing division should be given authority over the construction, operation and maintenance of mobile home parks. The subcommittee concurs and recommends:

> The NRS be amended to require the manufactured housing division to enact regulations for the construction, reconstruction and operation of mobile home parks. The subcommittee recommends further that such regulations set forth the conditions for the assumption and required qualifications for local agencies to enforce the regulations. A fee permit schedule should also be established. (BDR 40-23)

2. Health Inspections for Mobile Home Parks

There were several presentations made to the subcommittee relating to alleged health and sanitation problems in mobile home parks and in rental mobile homes. In response to these allegations, the subcommittee asked representatives of the consumer health protection services bureau of the health division and certain local health authorities to appear before it and answer various questions. It also asked the health division to prepare charts showing the name of each park in the state for which it has inspection responsibility, when each park was last inspected and when followup inspections have occurred. The division's response is on file in the legislative counsel bureau.

Regulation 3 "Permits for Operation of Mobile Home Parks" of the above referenced "Regulations Governing Mobile Homes and Mobile Home Parks (Trailer Courts) adopted September 21, 1970, by the Nevada state board of health" mandates that a health inspection be conducted of every mobile home park at least once each year and more often if deemed necessary by the health authority. The subcommittee found that many parks are not being inspected on an annual basis. Some parks, in fact, have not been inspected in a number of years.

The subcommittee was also advised of certain unhealthful conditions in mobile home rental units and told that no health agency has the authority to inspect or remedy health problems in rental mobile homes. The subcommittee believes

annual health inspections of mobile home parks should be carried out and that health agencies should have the authority to inspect a rental mobile home if permission to do so is given by the renter. It therefore recommends:

> The statutes be amended to require the health division to inspect mobile home parks for health and sanitation purposes at least once each year. The subcommittee recommends further that the requirement for inspection be extended to rental mobile homes where the renter consents to the inspection and that local authorities be permitted to conduct the health and sanitation inspections if the health division determines that local inspection would be effective. The subcommittee recommends further that the division or health authority maintain a record of all health and sanitation complaints received, the disposition of each complaint, the annual health inspection made of each park, the findings of each such inspection and the outcome of any deficiencies found. (BDR 40-23)

3. Administration of the Mobile Home Park Landlord and Tenant Law

As discussed in the introduction, the statutory provisions relating to landlord and tenants in mobile home parks was added to the NRS in 1975 and amended substantially in 1977 and 1979. The law, which is contained in NRS 118.230 to 118.340, inclusive, covers a broad range of topics including: rental agreements, deposits, the responsibility of landlords for common areas, park rules and regulations, prohibited charges and practices by landlords, rights of landlords upon the sale of a mobile home located in a park, grounds for termination of rental agreements by landlords, retaliatory conduct by landlords, remedies when tenants' mobile homes are made unfit for occupancy by any cause for which the landlord is responsible, the submission of controversies to arbitration, landlord tenant mediation boards, and penalties.*

Concerning penalties, any landlord who charges or receives any entrance or exit fee to a tenant assuming or leaving occupancy of a mobile home lot is subject to a misdemeanor on the first offense, a gross misdemeanor on the second, and for the third or subsequent offense, is subject to imprisonment for 1-6 years or a fine of not more than $5,000, or

*A detailed summary of A.B. 784 (chapter 629, Statutes of Nevada 1979) which substantially amended the mobile home landlord tenant law is contained as appendix B to this report.

both. Violation of other specified provisions in the law is a misdemeanor.* (See NRS 118.340.)

Persons appearing before the subcommittee expressed the opinion that the mobile home landlord tenant law is ineffective because there is no agency specified to administer its provisions. It was also advised by certain witnesses that criminal penalties in the mobile home landlord tenant law are also ineffective because prosecutors are hesitant or unable to bring criminal actions against landlords due to the prosecutors' work load demands. Common sense dictates that prosecutors must focus on major offenses.

The subcommittee feels that administrative sanctions and civil remedies would be effective means of ensuring compliance with the mobile home landlord tenant law. The establishment of an agency to administer the law would also serve a useful purpose in settling most grievances and assuring that problems are dealt with before the need arises for sanctions to be imposed. As noted earlier, the subcommittee believes most problems should be resolved at the level of government which is closest to the problem and in making the following recommendation hopes local governments will choose to administer the provisions of NRS 118.230 to 118.340, inclusive. Primary responsibility, however, should rest with the manufactured housing division. The subcommittee therefore recommends:

> The manufactured housing division of the department of commerce be responsible for enforcing NRS 118.230 to 118.340, inclusive. Such authority include provision

*NRS 193.150, "Punishment of misdemeanors," specifies the punishment of misdemeanors as:

> Every person convicted of a misdemeanor shall be punished by imprisonment in the county jail for not more than 6 months, or by a fine of not more than $500, or by both fine and imprisonment, unless the statute in force at the time of commission of such misdemeanor prescribed a different penalty.

NRS 193.140, "Punishment of gross misdemeanors," declares the punishment for a gross misdemeanor as:

> Every person convicted of a gross misdemeanor shall be punished by imprisonment in the county jail for not more than 1 year, or by a fine of not more than $1,000, or by both fine and imprisonment, unless the statute in force at the time of commission of such gross misdemeanor prescribed a different penalty.

for the licensing, regulation and inspection of mobile home parks. The subcommittee recommends further that the division (1) adopt necessary regulations to administer NRS 118.230 to 118.340, inclusive. Upon 30 days' written notice from the governing body to the division, any city, county, or city and county assume the responsibility for the enforcement of NRS 118.230 to 118.340, inclusive, and the regulations adopted pursuant thereto following approval by the division for such assumption; (b) the division adopt regulations which set forth the conditions for assumption and include required qualifications of local enforcement agencies. Conditions set forth and the qualifications required in the regulations relate solely to the ability of local agencies to enforce properly the regulations relating to mobile home parks. The regulations not set standards for local agencies different than those which the state maintains for its own enforcement program. When assumption is approved, the division transfer the responsibility for enforcement to the city, county, or city and county, together with all records of mobile home parks within the jurisdiction of the city, county, or city and county.

In the event of nonenforcement of NRS 118.230 to 118.340, inclusive, or the regulations adopted thereto, the provisions should be enforced by the division in any such city, county, or city and county after the division has given written notice to the governing body of such city, county, or city and county setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and the city, county or city and county have failed to initiate corrective measures to carry out its responsibilities within 30 days of such notice.

Where the division determines that the local enforcement agency is not properly enforcing the law or regulations, the local enforcement agency has the right to appeal such a decision to the division.

Any city, county, or city and county upon written notice from the governing body to the division be permitted to relinquish its assumption of responsibility for enforcing NRS 118.230 to 118.340, inclusive. The division, upon receipt of such notice, assume such responsibility within 30 days.

The subcommittee also recommends that permits be required and fees be charged for those permits.

The subcommittee recommends further that any permit holder who willfully violates any of the provisions of NRS 118.230 to 118.340, inclusive, or any rules or regulations issued pursuant to such sections, be subject to suspension or revocation of his permit to operate and a fine of up to $500 per day for each day he remains in violation. (BDR 40-23)

4. Application of Mobile Home Park Landlord Tenant Law to Recreational Vehicles Staying Over 1 Month in Mobile Home Parks

It was pointed out to the subcommittee on several occasions that many persons live in travel trailers or recreational vehicles because they cannot afford the cost of purchasing a mobile home.* The opinion was expressed that persons who live in travel trailers or recreational vehicles which are located in mobile home parks should be covered under the provisions of the mobile home park landlord tenant law if they reside in the park from more than 1 month. A review of the definition section of the mobile home park landlord tenant law (see NRS 118.230) shows that travel trailers

*A mobile home is defined in NRS 489.120 as:

> * * * A structure which is:
> 1. Built on a permanent chassis;
> 2. Designed to be used with or without a permanent foundation as a dwelling when connected to utilities;
> 3. Transportable in one or more sections; and
> 4. More than 8 feet in body width and more than 32 feet in body length. Neither the width nor the length includes bay windows, porches, drawbars, couplings, hitches, wall or roof extensions or other attachments. The term includes the plumbing, heating, air conditioning and electrical systems of the mobile home. 'Mobile home' does not include a travel trailer.

A travel trailer is defined, by NRS 489.150 as:

> * * * 1. "Travel trailer" means a portable structure mounted on wheels, consisting of a vehicular chassis primarily designed as temporary living quarters for recreational, camping or travel use and designed to be drawn by another vehicle, and designated by the manufacturer as a travel trailer.
> 2. A vehicle is not a travel trailer if, when equipped for highway use, it is more than 8 feet wide.

are not covered by the provisions of NRS 118.230 to 118.340, "Landlord and Tenant: Mobile Home Lots."*

The subcommittee found merit in the suggestion that persons residing in travel trailers which are located for over 1 month in a mobile home park should come under the provisions of the mobile home park landlord tenant law. A person living in a mobile home park for an extended period of time should not be excluded from the protections of the law just because his vehicle is classified as a recreational vehicle or travel trailer. The subcommittee therefore recommends:

> The statutes be amended to make the provisions governing the renting of mobile home lots applicable to recreational vehicles located in mobile home parks for 1 month or more. (BDR 10-27)

5. Punitive Damages for Violations of the Mobile Home Landlord Tenant Law

As noted earlier under the heading "Administration of the Mobile Home Park Landlord and Tenant Law" the mobile home park landlord tenant law contains criminal penalties for violations of its provisions. (See NRS 118.340.) The subcommittee believes civil action and administrative sanctions are more effective tools for ensuring compliance with the laws relating to mobile homes and has made recommendations to that effect.

During its study, the subcommittee obtained a copy of California's "Mobile Home Residency Law," compiled by the California Department of Housing and Community Development to include recent legislative amendments, which contains civil remedies. Section 798.85 of the law has provisions for awarding attorneys' fees and court costs to the prevailing party. Section 798.86 specifies:

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*NRS 118.230 contains definition for the terms used in the Mobile Home Landlord Tenant Law. Subsections 3 and 4 of NRS 118.230 define "Mobile home lots" and "Mobile home parks." They say:

> 3. 'Mobile home lot' means a portion of land within a mobile home park which is rented or held out for rent to accommodate a mobile home.
> 4. 'Mobile home park' or 'park' means an area or tract of land where two or more mobile homes or mobile home lots are rented or held out for rent. 'Mobile home park' does not include an area or tract of land where more than half of the lots are rented overnight or for less than 1 month.

> In the event a tenant, former tenant, or former resident of a park is the prevailing party in a civil action against the owner * * * to enforce his rights under the provisions of this chapter, * * * the tenant or resident, in addition to damages afforded by law, may, in the discretion of the court, be awarded an amount not to exceed five hundred dollars ($500) for each willful violation of those provisions by the owner.*

The subcommittee notes that existing NRS provisions deal with court costs and attorneys' fees. (See chapter 18 of NRS for district court matters, chapter 69 of NRS for justices' court matters and N.R.A.P. 39 for appeals.) It believes, however, that the addition of a provision for punitive damages for violation of the mobile home landlord tenant law would act to dissuade violation of the law by both landlords and tenants. It therefore recommends:

> In an action to enforce rights under NRS 118.230 to 118.340, inclusive, the prevailing party in addition to actual damages may recover punitive damages in an amount not to exceed $500 for each willful violation of those provisions. (BDR 10-22)

6. <u>District Attorneys' Offices in Three Most Populous Counties Urged to Establish Independent Full-Time Staff to Investigate and Prosecute Complaints Pertaining to Mobile Home Issues</u>

Representatives of district attorneys' offices in Nevada reviewed for the subcommittee cases those offices have handled under the provisions of chapter 489 of NRS, "Mobile homes and similar vehicles," the mobile home landlord tenant law, NRS 118.230 to 118.340, inclusive, and other related provisions. These cases include mobile homes and mobile home accessories that were never received, warranty problems, forgeries, misrepresentation of the sales price of mobile homes, situations where persons thought they were purchasing mobile homes only to discover that they were leasing them, "kick back" arrangements between unscrupulous dealers and mobile home park operators and mobile home landlord tenant problems.

The representatives of the district attorneys' offices advised that it is difficult for them to keep abreast of the complaints they receive because they lack staff to investigate and prosecute mobile home fraud or mobile home landlord

*See Department of Housing and Community Development Information Bulletin MP 79-08 contained with exhibit A of the minutes of the subcommittee's February 8, 1980, meeting.

tenant law violations. For example, at the time this report was written in May of 1980, the Clark County district attorney's office had 12 major mobile home related cases pending and only one prosecutor assigned to work on these cases. Although assistance is available from the manufactured housing division and from the Clark County district attorney's office investigatory staff, there are no investigators assigned specifically in the Clark County district attorney's office to mobile home issues. This, according to testimony, presents problems in prosecuting mobile home related cases.

The subcommittee understands the workload pressures placed on the district attorneys' offices and the need to give high priority to so-called major offenses. It believes, however, that laws are shallow indeed if there is no enforcement or prosecution of them. Emphasis should be placed on violations relating to mobile home laws. The subcommittee therefore recommends:

> The 1981 legislature adopt a concurrent resolution urging the district attorneys' offices in the three most populous counties to establish independent full-time staff to investigate and prosecute mobile home complaints. (BDR 25)

G. UTILITIES IN MOBILE HOME PARKS

Several persons appearing before the subcommittee during its meetings in Las Vegas and Reno expressed dissatisfaction with various aspects of the use of master utility meters in mobile home parks. Master utility meters are systems where a customer, such as the owner or operator of an apartment house, hotel, office building, mobile home park, or other multifamily dwelling purchases utility service from a public utility company and then resells it to his tenants. Some master meter systems have submeters for the individual users but a significant number do not.

The public service commission (PSC) says there are 46 gas master utility metered mobile home parks and 169 electric master utility metered mobile home parks in Nevada.

According to representatives of the public service commission, master meters exist in mobile home parks because certain mobile home park owners are reluctant to provide the necessary easements to utility companies for standard utility service and because of utility companies' reluctance to provide service without obtaining construction advances from

the mobile home park landlords.* The PSC also advises that master utility meter systems are less expensive to install. This saving, however, can be misleading because of ongoing maintenance costs.

The two primary concerns with master utility meter systems appear to be inaccurate billing and safety problems.

Concerning safety, a representative of the public service commission advised the subcommittee that many master utility meter systems in mobile home parks do not conform with Federal Department of Transportation Office of Pipeline Safety regulations and have not been property maintained.** Gas service disruptions caused by improper gas delivery systems in certain mobile home parks in the Las Vegas area lend credence to this observation. For example, the tenants in one mobile home park have repeatedly had their natural gas shut off during Christmas time because of the poor condition of distribution lines in the park. At the time this report was written, in May 1980, there were three mobile home parks in the Clark County area in which the natural gas was shut off. There have been at least 16 gas outages in master metered mobile home parks in Clark County and such outages have usually lasted more than 1 month in duration.

Federal inspection of gas distribution lines in master utility metered mobile home parks is inadequate according to the public service commission because of the few number of gas pipeline safety inspectors available. Moreover, the representatives of the PSC note, the PSC does not have authority to inspect the gas and electric distribution lines and associated equipment in mobile home parks because its authority is restricted to public utility companies.

The subcommittee notes that problems with master utility meters have been ongoing for a number of years and believes that the time has come to address them and makes the following three recommendations:

1. Phase Out of Master Utility Meters in Mobile Home Parks Unless Individual Meters Are Provided

The subcommittee believes the only viable solution to the master meter problem in mobile home parks is to prohibit

*See testimony by Harold F. Carmack, utilities officer for the public service commission, contained on page 7 of the subcommittee's minutes for its February 8, 1980, meeting.

**See testimony by Walter J. Hernandez, gas pipeline safety engineer for the public service commission, contained on page 7 of the subcommittee's minutes for its February 8, 1980, meeting.

their use after a date certain unless individual meters are provided for tenants. The subcommittee chose July 1, 1985, for this purpose. Until then, the subcommittee feels that mobile home parks with master meters, unless the park is also equipped with individual meters, should prorate the cost of utility service to the tenants.

The public utility companies in Nevada have rules* which require that utility service must be resold at the same rates that the utility company would charge for the service if it were supplied directly. These rules are extremely difficult to enforce if a park does not have individual meters. Because of this, the PSC advises mobile home park landlords in master metered parks without individual meters not to list a separate utility charge in the rent statement. This "advice" is not enforced because the PSC does not have jurisdiction over utility systems in the parks. Certain states, such as Washington, which does not allow master metering for gas or new electric hookups, and Oregon, which does not allow master metering for electricity, have recognized the problem with private resale of utility service and have prohibited the practice. The subcommittee does not believe such an extreme measure is called for but does believe that each mobile home in a mobile home park using a master meter system should have a separate meter so that actual utility service usage can be accurately determined. It therefore recommends:

> The landlord of any mobile home park which is not equipped with individual meters for each lot who charges the tenants for utilities either separately or by including the charge in their rent prorate the cost of all utilities.
>
> In no case should the charges prorated exceed in the aggregate the cost of the utility to the landlord. If the utility charges are included in the tenant's rent, the landlord be required to itemize the gas rate on the rent bill and give the tenant 60 days' written notice of any increase in gas rates.
>
> In any mobile home park which is equipped with individual meters for each lot and where the landlord receives the utility bill and charges the tenants for utilities, that charge not be at a rate higher than the rate the tenant would pay if he were a direct customer of the utility.

*See Sierra Pacific Power Company, Southwest Gas Corporation and Nevada Power Company rule 18 concerning resale of specified utility services contained as exhibit D to the subcommittee's minutes from its February 8, 1980, meeting.

Every mobile home park be required to provide for each individual lot in the park by July 1, 1985:

(a) Electric and gas service direct from the utilities; or
(b) Individual meters for electric and gas service. (BDR 40-23)

2. Meter Accuracy

Another concern expressed to the subcommittee on several occasions was the accuracy of the individual meters in parks that use a master meter system. As noted earlier, the utility companies in Nevada prohibit the resale of a utility service at a higher rate than paid by the primary customer (i.e.) the mobile home park landlord. To ensure compliance with these rules, individual meters must be accurate. A faulty meter can result in excessive payment for a utility service.

Witnesses appearing before the subcommittee suggested that landlords in master utility metered mobile home parks should provide means for the tenants to determine the accuracy of their individual meters. The subcommittee believes this suggestion has merit and therefore recommends:

Landlords of master metered mobile home parks provide facilities to tenants for determining the accuracy of individual meters on the master utility meter system. (BDR 40-23)

3. Public Service Commission Given Jurisdiction Over Gas and Electric Distribution Lines and Associated Equipment in Mobile Home Parks

It became evident to the subcommittee that many of the safety and inaccurate billing problems relating to utility services in master utility metered mobile home parks can be attributed to inadequate regulation. As was discussed under the heading "utilities in mobile homes parks," mobile home park tenants have no real administrative recourse for their utility problems.

According to the representatives of the PSC which appeared before the subcommittee, the public service commission has no authority over mobile home parks; its jurisdiction is limited to public utilities.*

*See testimony by Walter J. Hernandez, gas pipeline safety engineer for the public service commission, contained on page 7 of the subcommittee's minutes for its February 8, 1980, meeting.

A memorandum, dated February 5, 1980, from George M. Keele, deputy attorney general, to Patrick Fagan, staff counsel for the public service commission, discusses reasons for the public service commission's lack of jurisdiction over gas distribution lines and associated equipment owned by a mobile home park. It says:

> You have asked whether the Commission can exercise jurisdiction over gas distribution lines and associated equipment owned by a trailer park rather than by the gas utility serving the park.
>
> It is our opinion that subsection 2 of NRS 704.030 exempts those who own and maintain gas delivery apparatus solely for the benefit of their tenants. The pertinent language of NRS 704.030 reads as follows:
>
> > "Public utility" as used in this chapter, shall not include:
> >
> > 2. Corporations, companies, individuals or associations of individuals engaged in the production and sale of natural gas, other than sales to the public,..." [Emphasis added]
>
> The courts have uniformly held that where a landlord provides a utility service to a tenant and to no one else such action does not constitute a holding out to the public. Thus, neither a trailer park owner nor an apartment owner becomes a public utility simply by virtue of owning and maintaining the utility distribution lines.
>
> Because of the same rationale, it is our opinion that the Commission cannot assume any jurisdiction whatever over gas distribution lines and associated equipment owned by anyone other than a public utility.
>
> As a practical matter, certificated utilities occasionally inspect, maintain or repair privately owned pipelines and equipment at the request of and as an accommodation to apartment and trailer park owners.
>
> However, such arrangements are generally informal, and utilities are reluctant to establish a pattern which might at a later time suggest assumption of responsibility for such maintenance.
>
> In addition to the suggestions Mr. Hernandez has already offered to remedy this problem, we would suggest introduction of legislation in the Nevada legislature requiring regular inspection of all gas distribution

facilities not otherwise required to be inspected by state or federal law. This would put the onus on the master meter owners to secure and pay for such inspections. Certainly, the gas utilities would be able to provide such a service at reasonable cost.

Additionally, we would propose legislation not inconsistent with the Gas Pipeline Act, giving the Commission jurisdiction over all natural gas distribution facilities in the state whether or not owned or controlled by utilities. This would allow Commission personnel to inspect and suggest Commission-ordered improvements to substandard lines.

According to the legislative counsel, electric distribution lines and associated equipment owned by a mobile home park are also excluded from the PSC's jurisdiction.

The subcommittee believes that master utility metered mobile home parks which serve, in effect, as utilities, should be subject to regulation by the public service commission. Safety problems, power outages, and billing errors should not be ignored just because they occur in a mobile home park. The subcommittee therefore recommends:

The public service commission be given authority over gas and electric distribution lines and associated equipment in mobile home parks. (BDR 40-23)

H. CRITERIA FOR MOBILE HOME PARK RULES RELATING TO GUESTS AND CHILDREN IN MOBILE HOME PARKS

Several witnesses who appeared before the subcommittee expressed concern about discrimination against children in mobile home parks. The opinion was expressed that there is a trend away from "family parks" to "adult only parks" and that this is causing a severe shortage of mobile home spaces, especially in Clark County, for families with young children or young married couples of child rearing age. The subcommittee hopes that the survey being conducted for it by Clark County Community College, North Las Vegas, will provide information as to how serious the trend away from family mobile home parks is becoming. (See information on the survey being performed of mobile home parks for the subcommittee by Clark County Community College in the "introduction and background" section of this report.)

The subcommittee understands the problem but believes it would be improper for the legislature to restrict mobile home landlords from providing for adult-only parks. There appears to be a growing demand for the availability of such

parks, especially in those parts of the state with large numbers of retired persons. Perhaps if the subcommittee's suggestions discussed in other sections of this report for expanding the number of mobile home parks in the state are carried out, normal competitive forces will provide for more family oriented mobile home parks.

The subcommittee believes however, that certain provisions should be made now in the law for guests and children in mobile home parks. It therefore recommends:

> The landlord, or his authorized agent, not adopt or enforce rules or regulations (1) prohibiting a tenant from having a guest, except if the presence of the guest constitutes a nuisance; or (2) establishing areas for adults only in parks which allow children, unless the restriction is clearly posted in those areas. (BDR 10-22)

I. CLOSED PARKS PROHIBITED

The lack of a sufficient number of mobile home park spaces in Nevada was pointed out to the subcommittee on several occasions. Most of the subcommittee's recommendations address ways to alleviate the problems caused by the insufficient number of mobile home sites.

A practice of some mobile home landlords tends to exacerbate these problems. It is commonly known as the closed park system. Under a closed park, a prospective tenant is not permitted to rent or lease a space in a mobile home park unless the tenant agrees to purchase a mobile home from the park owner or operator or a specified mobile home dealer.

According to testimony, the closed park practice creates serious problems when there are insufficient mobile home spaces for rent in a community. It can force prospective tenants to purchase expensive mobile homes and tends to cause higher land development costs. It also restricts competition for those mobile home dealers that do not have purchase arrangements with mobile home park landlords.*

Certain Federal Trade Commission (FTC) orders have addressed closed park arrangements and prohibit the conditioning of site rentals on the purchase of a mobile home from a particular party. (See: Mobile Homes Multiplex Corp., Docket No. 9069, MacLeod Mobile Homes, Docket No. 9068, and Harper Sales, Docket No. 9070.) The subcommittee believes such prohibition should also be contained in the Nevada Revised Statutes. It therefore recommends:

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*See the minutes to the subcommittee's April 18, 1980, meeting.

That no mobile home park owner, or his authorized agent, require a prospective tenant to purchase a mobile home from him or any other person in order to obtain a mobile home site. (BDR 10-22)

J. DEALERS PROHIBITED FROM PAYING ENTRANCE OR EXIT FEES TO MOBILE HOME PARK LANDLORDS

The 1979 legislature, through assembly bill 784 (chapter 692, Statutes of Nevada 1979) made it illegal for mobile home park landlords to charge or receive entrance or exit fees to tenants assuming or leaving occupancy of a mobile home lot. [See paragraph (a) of subsection 1 of NRS 118.270.] Under NRS 118.340, any landlord who charges such fees is subject to misdemeanor penalties for the first offense, gross misdemeanor penalties for the second offense, and imprisonment for 1-6 years or a fine of not more than $5,000 or both for a third or subsequent offense.* In passing the entrance and exit fee provisions, the legislature attempted to dissuade unscrupulous mobile home landlords from taking advantage of the limited number of mobile home spaces, in certain of Nevada's communities, for their personal gain.

According to information given to the subcommittee by representatives of the Nevada Manufactured Housing Association, dealers, not tenants, usually pay the entrance or exit fees if such transactions occur. Moreover, because of mobile home dealers' bookkeeping requirements and practices, the payment of an entrance or exit fee could be isolated and identified in their records. Such may not be the case with mobile home park landlords' records.

The subcommittee was advised that if mobile home dealers were made criminally liable for paying entrance or exit

*NRS 193.140, "Punishment of gross misdemeanors," says:

> Every person convicted of a gross misdemeanor shall be punished by imprisonment in the county jail for not more than 1 year, or by a fine of not more than $1,000, or by both fine and imprisonment, unless the statute in force at the time of commission of such gross misdemeanor prescribed a different penalty.

NRS 193.150, "Punishment of misdemeanors," says:

> Every person convicted of a misdemeanor shall be punished by imprisonment in the county jail for not more than 6 months, or by a fine of not more than $500, or by both fine and imprisonment, unless the statute in force at the time of commission of such misdemeanor prescribed a different penalty.

fees, the practice would stop or be greatly reduced. The subcommittee therefore recommends:

> It be unlawful for a mobile home dealer, or his authorized agent, to pay the entrance or exit fees specified in paragraph (a) of subsection 1 of NRS 118.270. (BDR 43-15)

This recommendation can be carried out by amending NRS 118.270 to expand the prohibition against the landlord to include entrance or exit fees received not just from a tenant but from anyone. By doing this, the dealer or anyone paying the fee can be charged as an accessory to the landlord's crime. The recommendation can also be carried out by expanding the power of the administrator of the manufactured housing division to inspect the records of mobile home dealers to detect violations of the prohibition.

K. EXTENDED LENGTH OF NOTICE FOR ADOPTED OR AMENDED RULES IN MOBILE HOME PARKS

NRS 118.260, "Rules, regulations," addresses the adoption of rules and regulations in mobile home parks. Subsections 4 and 5 speak to notice concerning the adoption or amendment of such rules. They say:

> 4. Except as provided in subsection 5, a rule or regulation is enforceable against the tenant only if he has notice of it at the time he enters into the rental agreement. A rule or regulation adopted or amended after the tenant enters into the rental agreement is not enforceable unless the tenant consents to it or is given 60 days' notice of it in writing.
>
> 5. A rule or regulation pertaining to recreational facilities in the mobile home park may be amended and enforced by the landlord without the tenant's consent if the tenant is given 10 days' written notice of the amendment.

Presentations and material given to the subcommittee stress the importance of sufficient time for notice.* The subcommittee was advised that the 60-day notice requirement in subsection 4 of NRS 118.260 is insufficient because it does not give mobile home park tenants adequate time to make changes required by certain rules or to move if they do not wish to comply with new or amended rules. It was said that

*See page 4 of the subcommittee's minutes for its February 8, 1980, meeting and exhibit P to the subcommittee's October 10, 1979, minutes.

because rule changes are considered permanent, and because tenants did not have knowledge of the new or amended rules at the time they entered into initial rental agreements, a longer period of time should be required for a rule modification to become effective. This would make it easier, the subcommittee was advised, for the tenants to comply with new rules or to move if they found the rules untenable. Moving a mobile home from one park to another, unlike moving from one apartment to another, can be a very expensive and time consuming process.

Certain rule changes can have a major effect on mobile home park tenants, especially if the status of the park is being changed from a family park to an adult only park, pets are no longer allowed, or the number of vehicles owned and kept by a tenant in a park is being restricted. The subcommittee believes the suggestion for an extended duration of time before rule changes in mobile home parks can become effective has merit and therefore recommends:

> NRS 118.260 (4) be amended to double the time from 60 to 120 days in which notice must be given of new or amended mobile home park rules or regulations. (BDR 10-22)

L. MOBILE HOME PARK LANDLORD TENANT MEDIATION BOARDS TO INCLUDE REPRESENTATIVES OF LANDLORD AND TENANT GROUPS

As discussed in appendix B, section 1.6 of assembly bill 784 (chapter 692, Statutes of Nevada 1979), which became effective July 1, 1979, provides for boards to mediate grievances between landlords and tenants in mobile home parks. This provision, which is codified as NRS 118.335, "Board to mediate grievances between landlords, tenants: Establishment; composition; duties," says:

> 1. The governing body of each city and county may establish a board to mediate grievances between landlords and tenants of mobile home parks.
> 2. The board must include owners of mobile home parks, tenants of mobile home parks and members representing the general public.
> 3. The board shall:
> (a) Attempt to adjust grievances between the landlords and tenants by means of mediation or negotiation.
> (b) Recommend changes in local ordinances related to mobile homes and mobile home parks.
> (c) Recommend measures to promote equity between tenant and landlord.
> (d) Encourage the development of mobile home parks to meet the needs of the community.

The subcommittee heard many criticisms of the boards including that (1) they are ineffective because they have no authority to enforce settlements between landlords and tenants in mobile home parks, (2) the membership on certain of the boards has been selected to preclude representation of mobile home tenants' associations, (3) local governments have procrastinated about forming the boards, and (4) the boards are not addressing meaningful issues.

As this report was being written in May of 1980, mediation boards had been formed in Carson City (started meeting on November 5, 1979), Clark County (started meeting on April 7, 1980 - the board is a combined board for Clark County, Boulder City and North Las Vegas), Las Vegas (started meeting on May 19, 1980) and Washoe County (started meeting on February 20, 1980 - the board is a combined board for Washoe County and Reno.)

The subcommittee considered recommendations which would have given the mobile home park mediation boards more power, modified their composition and required certain membership on the boards. It decided that because the boards are so new, more time was needed to analyze their performance and review their effectiveness before the boards' powers or duties were changed. It did believe, however, that representatives of mobile home park landlords' associations and representatives of mobile home park tenants' associations should not be excluded from the boards. Representatives of such organizations can bring valuable experience and knowledge to the boards. The subcommittee therefore recommends:

> Members of boards established to mediate grievances between landlords and tenants in mobile home parks include, if such organizations are in existence in the community, representatives of mobile home park owners' associations and representatives of mobile home park tenants' associations. (BDR 10-22)

M. MOBILE HOME PARK SPACE RENT REVIEW

One of the most sensitive issues which the subcommittee faced is the subject of mobile home park space rent review. This issue generated the most emotional and volatile presentations and correspondence made or given to the subcommittee.

Those representing mobile home park landlords were vehemently opposed to any form of rent review or control. The concern over the prospect of rent control caused a few mobile home park owners to castigate the subcommittee and its members for even considering the topic. Most landlords,

however, relied on economic and free market arguments to make their case against rent review. Often cited were articles or publications discussing the failure of rent control in other states. Arguments made against rent control include:

1. If economic conditions are such that some people cannot afford mobile home space rents, the solution is society's burden, not the burden of only mobile home park owners. Assistance should be provided through Federal or state subsidy programs such as that specified in 42 USCA 1437F, "Lower-income housing assistance."
2. Because rent controls limit income from rentals, they create an atmosphere unconducive to investment in new mobile home park construction. Rent controls tend to compound the problems. Lenders refuse to lend money for rental housing in rent control areas.
3. If landlords cannot cover both their costs and their profit requirements, they will cut costs. This results in deterioration and even abandonment of property.
4. Property values are related to income from the property. If income is restricted, property value lowers.
5. Rent controls do not work; they have not worked in New York or California.
6. Rent controls are expensive to administer and the expense is borne by all taxpayers.
7. Mobile home parks are not particularly profitable. Controls make the situation intolerable.
8. A free market is the most effective way of dealing with the high space rent increase problem.

Those expressing concern with increases in space rents advised the subcommittee:

1. Mobile home park vacancy rates in mobile home parks in Nevada's larger communities are so low that mobility is restricted. Tenants must pay exorbitant space rents or pay the major expense of moving their mobile homes to other communities.
2. In times of severe mobile home park space shortages tenants have no choice but to pay the higher rates.
3. Rents have increased dramatically in recent years but the incomes of low income persons have not kept pace with rents.*

*The subcommittee was advised that certain space rents in Clark County have increased by up to 100 percent during 1979. The subcommittee recognizes the next legislature's need for hard data and, as noted earlier, contracted with Clark County Community College, North Las Vegas, Nevada, to perform a questionnaire survey of mobile home park landlords and tenants to obtain various information. A portion of this information will relate to mobile home park space rent increases.

4. Rents have been raised far beyond the level necessary to cover increased costs to landlords.
5. Landlords exploit mobile home space shortages.
6. Controls restore rents to a level fair to tenant and landlord.
7. Mobile home park development is relatively unresponsive to changes in demand and this creates a situation ripe for exploitation. Rent control will curb excess rents.
8. Rent control is an expedient short-term response to a housing shortage. Telling an elderly person living on a fixed income who has just been told that he is getting a big space rent increase that "competition will take care of the problem" offers little comfort or help.
9. Large mobile home space rent increases are caused, in part, by the rapid turnover of ownership of mobile home parks. Tenants should not be forced to pay the high profits of short-term speculators, many of whom are citizens of foreign countries and other states, that reap the benefit of Nevada's economy and then leave the state.

The subcommittee notes that there is no history of rent control in Nevada. There has never been a law that addresses the subject. Several bills, however, considered by the 1979 legislature deal with the topic. A review of the 1979 legislature's activity pertaining to the mobile home park rent control issue is contained in exhibit B of this report.

No one appearing before the subcommittee advocated statewide rent control for mobile home parks. Moreover, representatives of mobile home park tenants' associations did not request the imposition of rent controls at this time. They requested the ability for local option if the need arises.

Given Nevada's legal and political traditions, there is little doubt that mobile home park space rent review or control would be enacted by local governments only through state enabling legislation. Nevada is not a home rule state. Neither the cities nor counties have any powers not granted in general laws or in city charters enacted by special laws. Any rent control, rent stabilization and probably even rent review, if it were not voluntary, would require enabling legislation. This was evidenced during the last session when the rent control issue was passed back and forth between the state and local governments like "a hot potato."

The subcommittee thinks the problems of mobile home space rents should be addressed at the local level. Based on testimony, space rents and mobile home space shortages vary greatly from community to community. It would be grossly improper for the state to impose a rent review measure on a

community where such is not needed. Conversely, the state, the subcommittee feels, would be derelict in its responsibility for not providing for the welfare of its growing number of citizens that reside in mobile home parks by not allowing rent review or control of mobile home park space rents if such ever became necessary by virtue of an emergency or wide-spread rent gouging.

The subcommittee does not advocate rent control. It does, however, believe local governments should have the option to deal with emergencies. It therefore recommends:

> The governing body of any city or county be permitted to provide, by ordinance, for the review of increases or the setting of rents charged for mobile home lots or mobile homes and mobile home lots within mobile home parks in that city or county when the governing body of the city or county determines that an emergency exists with regard to the rental of those lots. An emergency exists where the governing body finds that the rate of vacancies in mobile home parks in the city or county is 5 percent or less. (BDR 10-22)

The subcommittee feels there will never be the need for mobile home space rent review if the 1981 legislature enacts this measure. It is the subcommittee's firm belief that local governments will make Herculean efforts to increase the number of mobile home spaces so that, as the mobile home park landlords have advised the subcommittee, competition will handle the rent increase problem.

N. RESTRICTIVE ZONING

As has been stated many times in this report, the subcommittee is of the opinion that a sizeable number of problems encountered by the owners and renters of mobile homes can be attributed to the insufficient number of mobile home sites or other locations to place mobile homes in many of Nevada's communities.

The recommendations in this report suggest ways to ease the problems which many mobile home owners face. Proper controls and legislation can help. Equally important, however, is the removal of barriers which inhibit the availability of mobile homes as a viable housing alternative for Nevadans.

During the 1979 legislative session, the legislature enacted assembly bill 211 (chapter 447, Statutes of Nevada 1979) which permits mobile homes permanently affixed to land to be treated as real property for loans and tax purposes. This measure was, in part, an attempt to assist mobile home

purchasers by allowing them the benefits of obtaining long-term real estate loans.

The subcommittee surveyed the cities and counties in Nevada and found that certain local ordinances inhibit the effects of A.B. 211 (chapter 447, Statutes of Nevada 1979) by prohibiting mobile homes from being permanently affixed to land.* Other inhibitors are zoning ordinances which restrict the placement of mobile homes and mobile home parks to commercial or undesirable areas in the community.

As mentioned in the introduction, the subcommittee sought information from other states and the Manufactured Housing Institute, Inc. concerning mobile home zoning statutes and case law in other states. Responses indicate that certain states such as Vermont and New Mexico treat mobile homes as real property for zoning purposes. Certain counties in other states (see Thurston County, Washington and Ada County, Idaho) also follow this practice.

The Manufactured Housing Institute, Inc. believes that a zoning ordinance cannot constitutionally discriminate against mobile homes by requiring that mobile homes be excluded from areas permitted to site-built homes. In a brief amicus curiae for a State of Michigan appellate case relating to mobile home zoning (see Robinson Township v. Knoll) attorneys for the Manufactured Housing Institute, Inc. say:

> A. Summary of the Argument
>
> The appearance and construction of mobile homes has changed radically during the last twenty years. No longer boxy metal trailers but rather permanent dwellings, mobile homes, must be built in accordance with a Federal Standard which is substantially equivalent to the codes adhered to by local jurisdictions for site-built housing. * * * (See the National Mobile Home Construction and Safety Standards Act of 1974, 42 USCA 5041 et seq. and the regulations known as the Mobile Home Construction and Safety Standards, 24 CFR 3280 et seq. of the Department of Housing and Urban Development.)* * *

*See tab 5 of exhibit A to the subcommittee's minutes for its February 8, 1980, meeting. This situation, which has been partially alleviated since the subcommittee conducted its survey, dampened the beneficial effects of A.B. 211. It also inhibits the growth of mobile homes as a housing source.

There is no legal rationale for discriminating between mobile homes and site-built housing in view of the technological advances in the mobile home industry.

In order to put zoning law into proper prospective, we can trace the principles which should govern, to the landmark case of Village of Euclid v. Ambler Realty Co., decided by the United States Supreme Court in 1926. There the Court established that the regulation of land use by zoning was entirely proper, but that zoning ordinances must bear a reasonable relationship to public health, safety, morals or general welfare.

Subsequent to Euclid, the growth in the United States of population, industry and commerce created pressures which have led to exclusionary zoning on the one hand and the reaction to this exclusion on the other, the development of the concepts of "fair share" and a "regional impact" by the courts.

Like Michigan, other populous states have had the same problems. These states include New Jersey, Pennsylvania, California and New York. Without exception, these states have reacted to the problems of uncontrolled growth and zoning restrictions with the view that because zoning is an exercise of the police power of the state, its delegated use must take into account the welfare of all the citizens of the state, not only the private interests of individuals nor even the interests of local communities. Therefore, the needs of lower and moderate income people must be considered and regional needs must be met, irrespective of artificial jurisdictional boundaries.

Michigan does not appear to have embraced the concepts of "fair share" and "regionalism" fully but has enunciated guiding rules which are intended to prevent violation of due process by zoning. In regard to such guidelines, we would urge that the concepts of "fair share" and "regional need" be explicitly included. In this connection, a series of cases stemming from Kropf v. City of Sterling Heights has articulated principles of reasonable government interest and has frowned on exclusion of "legitimate land use."

There is a line of decisions in Michigan as in other states which is apparently based on a misconception of the character of present day mobile homes. It is submitted that even visually, mobile homes are comparable to site-built homes in every way.

In tandem with the constitutional limitations upon exclusionary zoning, have been decisions by the highest courts of several states determining that for taxation purposes mobile homes are real property.

The legislatures of several states have likewise recognized that mobile homes are equivalent to site-built homes. Vermont is an example of such legislative action.

With respect to Robinson Township v. Knoll it is respectfully submitted that an ordinance which excludes mobile homes from placement on land zoned for single family residential use denies substantive due process and equal protection of the law to owners of mobile homes. The principles and rules of construction stated in Kropf are consistent with this application of the law. There has been some confusion in applying these rules because one of them is totally involved with confiscatory zoning rather than denial of due process and equal protection. But, where the controversy involves denial of due process and equal protection of the law, the ultimate issue is whether mobile homes which are equivalent in construction and appearance to site-built homes can be excluded from an area zoned for single family residential use without "a strong taint of unlawful discrimination and a denial of equal protection."

In answer to this, the subcommittee thinks not. It therefore recommends:

The governing bodies of cities and counties not prohibit the location of a manufactured home, mobile home, mobile home park or a subdivision consisting of manufactured homes or mobile homes in any area of the city or county in which residential housing is permitted or the permanent attachment of any mobile home to land owned by the owner of a mobile home and on which a mobile home is lawfully located. The subcommittee recommends further that a governing body not be prohibited from establishing reasonable standards relating to design to enable manufactured homes, mobile homes, mobile home parks and subdivisions consisting of manufactured homes or mobile homes to blend with adjacent areas of residential housing and otherwise regulating the improvement of land and the location and soundness of structures to the extent the regulation is not inconsistent with law.

III. CREDITS

The following is a listing of the names of persons who appeared before the subcommittee:

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IV. APPENDICES

Appendix A - Responses to staff survey letter to other states inquiring if mobile homes are taxed as real property and excluded from sales tax.

Appendix B - Summary of measures considered by the 1979 legislature relating to mobile homes, mobile home parks and mobile home park landlord tenant relations.

Appendix C - Suggested legislation.

APPENDIX A

Responses to staff survey letter to other states inquiring if mobile homes are taxed as real property and excluded from sales tax.

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March 18, 1980

M E M O R A D U M

TO: Chairman and Members of the Legislative Commission's Subcommittee to Study the Problems of Owners and Renters of Mobile Homes (A.C.R. 3)

FROM: Donald A. Rhodes, Chief Deputy Research Director

SUBJECT: Responses to staff survey letter inquiring if mobile homes are taxed as real property and excluded from sales tax.

On February 4, 1980, I wrote a letter to all 50 states inquiring if each state (1) permits mobile homes to be taxed as real property and (2) excludes mobile homes from sales taxes.

The attached chart is a compilation of the responses I have received to date. As you can see, 31* states indicated in their response that they provide for the treatment of mobile homes as real property for tax purposes. New Jersey and Washington exempt mobile homes from sales taxes and Colorado and Wisconsin indicated that they partially exempt mobile homes from sales taxes. Some states, such as Alaska, Montana, New Hampshire and Oregon, have no sales tax on personal property.

DAR/llp

*Alabama, Arizona, California, Connecticut, Florida, Hawaii, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, North Carolina, Oregon, Pennsylvania, South Carolina, Texas, Utah, Vermont, Washington, West Virginia and Wisconsin.

RESPONSES TO STAFF SURVEY LETTER INQUIRING IF MOBILE HOMES ARE TAXED AS REAL PROPERTY AND EXCLUDED FROM SALES TAX

STATE	RESPONSES
Alabama	In the State of Alabama mobile homes are taxed as real estate if the owner of the mobile home also owns the lot on which it is situated. He is entitled to homestead exemption and any other benefits allowed on real estate. If the mobile home is situated on a lot that is owned by a person other than the owner of the mobile home, the mobile home should be licensed and taxes paid thereon as personal property.
Alaska	The State of Alaska does not have a state property tax or state sales tax and consequently does not tax mobile homes in any way. However, there are many boroughs and municipalities within the state that do levy sales and property taxes that would affect mobile homes.
Arizona	Effective December 1, 1979, mobile homes for property tax purposes were divided into two distinct groups. A multiple section mobile home permanently attached to real property owned by the owner of the mobile home is considered to be a real property improvement and is taxed on the secured property tax roll. The legislation also outlines the procedure which must be followed in converting the mobile home to real property. The legislation contains a savings clause exempting mobile homes not already affixed, as of the effective date of the legislation. Mobile homes are essentially treated identical to conventionally built homes for sales tax purposes. When a mobile home is first sold 35-percent of the gross selling price is deducted and treated as non-taxable. This allowance is a

RESPONSES TO STAFF SURVEY LETTER INQUIRING IF MOBILE HOMES ARE TAXED AS REAL PROPERTY AND EXCLUDED FROM SALES TAX
Page 2

STATE	RESPONSES
Arizona (con't)	crude approximation of the direct labor involved in constructing the mobile home or conventionally built house. The remaining 65-percent of the gross selling price is subjected to sales tax. Resale mobile homes are not subjected to sales tax nor are resold conventionally built homes.
California	In the past, California has levied a sales tax on all new purchases of mobile homes and has levied a vehicle tax each year in lieu of property tax. Recently the California Legislature enacted Senate Bill 1004 and Assembly Bill 887 to convert mobile home taxation from essentially a personal property tax to a real property tax. The sales tax on new mobile homes and property tax on all mobile homes was made to approach that of conventional structures. Presently, we are in the process of drafting legislation to correct and clean up provisions of this new legislation.
Colorado	Mobile homes are taxed on the basis of paying ad valorem tax rather than specific ownership tax. Sales tax is collected by Colorado on the initial purchase of a mobile home; however, H.B. 1451, passed by the 1979 Colorado legislature, provides for an exemption of 48 percent of the purchase price from the sales tax. Once that tax has been paid to Colorado, sales tax no longer applies on any subsequent sale of the property, and the mobile home is carried on the property tax roles.
Connecticut	Mobile homes are subject to sales tax. They may be taxed as real property if land is owned and home has a permanent foundation.

RESPONSES TO STAFF SURVEY LETTER INQUIRING IF MOBILE HOMES ARE TAXED AS REAL PROPERTY AND EXCLUDED FROM SALES TAX
Page 3

STATE	RESPONSES
Delaware	No response.
Florida	Mobile homes subject to sales tax when sold new or if sold separately from land. Mobile homes permanently affixed to land owned by mobile home owners are taxed as real property.
Georgia	For the purposes of ad valorem taxation in the State of Georgia, mobile homes are classified as separate and distinct class of tangible property. However, those mobile homes which qualify the owner thereof for the homestead property tax exemption under Georgia law, are treated as part of the real property digest. Georgia does not exclude mobile homes from sales taxes.
Hawaii	A mobile home with permanent utility connections is construed as realty if it is considered to be affixed to the real estate in a permanent manner and thereby economically not feasible to move to other sites. If, however, the mobile home can be readily disconnected from utilities and can easily be moved to other sites, it shall remain as personal property. Hawaii tax laws do not include personal property tax which was repealed by the legislature in 1947. Therefore, a mobile home classified as personalty would only be taxed according to its weight by the respective county government in the form of a vehicle tax.

STATE	RESPONSES
Hawaii (cont'd)	Concerning the Hawaii general excise tax which differs from the sales tax in that it is a tax on the vendor, not the purchaser, mobile homes are taxable at the retail rate of four percent if sold to consumers or one-half of one percent if sold by a manufacturer or wholesaler to a retailer.
Idaho	Mobile homes are assessed and taxed as real property. Idaho Code Section 63-307A says: Assessment of mobile homes. -(a) For purposes of this section "mobile home" is defined as a structure transportable in one (1) or more sections which is eight (8) body feet or more in width and is thirty-two (32) body feet or more in length; and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation; and connected to required utilities, and includes the plumbing, heating, air conditioning and electrical systems contained therein. (b) Mobile homes shall be assessed in the same manner as other residential housing. The state tax commission shall issue a regulation setting forth the method by which all residential housing will be appraised for ad valorem taxation purposes. The method shall provide uniformity in the assessment of all residential housing. County assessors shall assess the values to compute property taxes as prescribed in this regulation. (c) All assessments on residential property shall be entered on the county real property rolls in accordance with regulations issued by the tax commission.

STATE	RESPONSES
Idaho (con't)	"While the Assessors have had to increase their efforts to measure and appraise the mobile homes versus taking a book value at the desk, they feel the appraisal method has paid off in achieving greater equity for the home owners. The owners have the advantage of two installment payments, and the owners have a better opportunity to compare with neighbors with 'stick built' and modular construction, and find they are being treated equitably."
Illinois	The Illinois property tax law includes within the definition of real estate "any vehicle or similar portable structure used or so constructed as to permit its being used as a dwelling place for one or more persons, if such structure is resting in whole on a permanent foundation." (IRS, Ch. 120, §482). Any mobile home not so situated is subject to the "Mobile Home Local Services Tax Act" which is a graduated tax based on the square footage and age of the mobile home. (IRS, Ch. 120, §1201, et. seq). Illinois has no ad valorem personal property tax. Mobile home sales or purchases are subject to the Illinois "Retailers' Occupation Tax Act" and the "Use Tax Act."
Indiana	No response.

RESPONSES TO STAFF SURVEY LETTER INQUIRING IF MOBILE HOMES ARE TAXED AS REAL PROPERTY AND EXCLUDED FROM SALES TAX
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S T A T E	R E S P O N S E S
Iowa	Mobile homes treated as real property if they are attached to a permanent foundation and other conditions are met. Mobile homes are subject to use taxes.
Kansas	No response.
Kentucky	Mobile homes are subject to sales tax at the time of sale at retail, levied upon the purchase price. A mobile home can be classified as real property if its owner owns the land it occupies, and the wheels or mobile parts have been removed and the unit rests on a permanent fixed foundation.
Louisiana	Louisiana permits mobile homes to be taxed as real property. Under the Louisiana sales tax law, mobile homes are subject to state tax plus any applicable local tax, and since they are included in the definition of motor vehicle under R.S. 47:303B, the tax is levied on the sale of any such vehicle at the time of registration or transfer of registration as required by the Vehicle Registration License law (R.S. 47:451 et. seq.). Since they are treated as motor vehicles, there is no casual or isolated sale and each subsequent sale is also subject to the sales tax, unless it has been rendered immovable and declared a permanent residence on the land of the owner.

RESPONSES TO STAFF SURVEY LETTER INQUIRING IF MOBILE HOMES ARE TAXED AS REAL PROPERTY AND EXCLUDED FROM SALES TAX
Page 7

S T A T E	R E S P O N S E S
Maine	Mobile homes are considered real estate for the purposes of taxation, pursuant to Section 551, Title 36 M.R.S.A. Municipal assessors use the market data approach to value or the Mobile Home Blue Book when determining value for property tax assessment purposes. New mobile homes on the dealer lot (first sale) are subject to a 5 percent sales tax by the purchaser on 50 percent of the sale price. Used mobile homes, affixed to the land, are exempt from the sales tax but subject to the real property tax at the municipal level.
Maryland	Mobile homes are considered tangible personal property for sales tax purposes and subject to sales tax on the total selling price of the mobile home. If a mobile home remains as such and does not become connected permanently for water, sewage, or to a foundation, it may remain as tangible personal property for resale purposes subject to sales tax on each respective sale. However, if the mobile home becomes permanently established with all conveniences attached and is placed on a foundation, it is then assumed to become realty and could be subject to the property tax.

RESPONSES TO STAFF SURVEY LETTER INQUIRING IF MOBILE HOMES ARE TAXED AS REAL PROPERTY AND EXCLUDED FROM SALES TAX

S T A T E	R E S P O N S E S
Massachusetts	Depending upon the circumstances mobile homes in Massachusetts may be taxed as personal property or real estate or a license fee may be charged in lieu of any property taxes. If the mobile home is unoccupied and is not attached in any manner to the land upon which it is situated, it is taxed as personal property. If the mobile home is attached to the land on which it is situated e.g. by power supply wires, sewage disposal facilities, it is taxed as real estate. The amount of such tax is the same as would be assessed upon the mobile home as personal property. In practice, the slightest degree of attachment to the land results in the taxation of the mobile home as real estate. This procedure is followed because of the existence of a lien for the real estate tax whereas there is no such lien for the personal property tax. Mobile homes situated in mobile home parks are exempt from taxation as real or personal property under the provisions of Chapter 59 of the General Laws. In lieu of such taxes the owner of a mobile home park pays an additional monthly license fee for each mobile home situated in the park during the month. This additional license fee is $6.00 or such larger amount not in excess of $12.00 as the local city council or board of selectmen shall determine. Payment is made to the city or town by the owner of the mobile home park who in turn collects the fee from the owners of mobile homes situated in the park. A casual sale of a mobile home by a person not engaged in the business of selling mobile homes is exempt from sales tax.

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STATE	RESPONSES
Michigan	Under the provisions of the Sales Tax Statute, Michigan imposes a 4% tax on the full sales price of new or used mobile homes when sold by a dealer or broker. Michigan also imposes a 4% tax on sales of mobile homes when sold by an individual owner to another party provided the unit is "severable" from real estate at the time of sale. Mobile home owners renting space in a licensed mobile home park are required to pay $3.00 tax monthly, which tax is collected by the park operator and turned over to local government in lieu of school and property taxes. Mobile homes installed on privately owned property are generally considered as affixed to realty and are assessed as real property. If resold by the property owner Michigan does not require payment of the 4% use tax as it considers this to be a sale of real property rather than a sale of tangible personal property.
Minnesota	Mobile homes, connected to water and sewer connections, which are installed on permanent foundations on land owned by the mobile home owners are considered real property. A bill is in the legislature which would use the same classification percentages in valuing mobile homes as is applied to conventional homes.

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STATE	RESPONSES
Mississippi	Mobile homes are subject to sales tax when sold by a dealer to a purchaser. Sales of mobile homes from one individual to another are not taxed. Mobile homes may be assessed as real property if certain conditions (such as the removal of the wheels and the land on which the mobile home is placed being owned by the mobile home owner) are met.
Missouri	Mobile homes are taxed as trailers and they are subject to sales tax.
Montana	There is no sales tax in Montana. The only mobile homes that are taxed as real property are those which have been determined to be permanent improvments to real estate. All other mobile homes are considered personal property and are taxed as such. However, the tax classification and the taxable percentages are the same whether a mobile home is considered as personal property or a permanent improvement to real property.
Nebraska	Mobile homes permanently affixed to land are taxed as real property. They are also subject to sales tax.
New Hampshire	There is no sales tax in New Hampshire. Response indicates that mobile homes may be taxed as personal or real property.

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STATE	RESPONSES
New Jersey	Any sale of a mobile home assessed and taxable as real property is required not to be subject to sales tax, except in the case of the sale of a new or previously unused mobile home which is subject to sales tax only to the extent of the taxation of the sale of tangible personal property for building construction. Mobile homes permanently attached are treated as real property.
New Mexico	No response.
New York	Whether or not the purchase of a mobile home is subject to the New York State sales tax is dependent upon the nature of the transaction. If the purchase constitutes an improvement to real property, it is exempt; if it is a purchase of tangible personal property, it is subject to the tax. The following excerpt from a determination of the New York State Tax Commission describes the difference between the two types of purchases: That the controlling factor in determining whether the purchase of a mobile home constitutes an improvement to real property or is rather a purchase of tangible personal property is the degree of permanency with which the mobile home is affixed to the real property by the seller dealer; therefore, the delivery and mere placing of the mobile home on the applicant's foundation and the subsequent removal of the running gear by the mobile home dealer did not display that degree of permanency requisite to constitue an improvement to real property.

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STATE	RESPONSES
North Carolina	For sales tax purposes, mobile homes are taxed at a preferential rate of 2%, with a $120 tax limitation on each purchase. Mobile homes may be taxed as real property if they are permanently affixed to land.
North Dakota	Mobile home sales are subject to sales tax. Mobile homes are taxed under a special section of North Dakota's statutes.
Ohio	All mobile homes are subject to sales tax. Mobile homes are taxed as personal property under the licensing of motor vehicles chapter of the Ohio Revised Code.
Oklahoma	No response.
Oregon	Oregon does not levy a sales tax. Mobile homes may be classified as real property if the mobile home and the land upon which the mobile home is situated are owned by the same person.
Pennsylvania	Under the provisions of the Pennsylvania sales and use tax law, Pennsylvania imposes sales or use tax upon the sale and/or installation of a mobile home. Casual sales of mobile homes are also subject to tax. Pennsylvania has minimized the tax burden under certain circumstances where a mobile home is sold and installed by a dealer so as to become part of the real estate. Any owner of a mobile home may surrender his certificate of title and make a mobile home part of a deed of trust of real property. The General Assembly of the

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S T A T E	R E S P O N S E S
Pennsylvania (con'd)	Commonwealth of Pennsylvania has authorized local political subdivisions to impose real estate tax on "house trailers and mobile homes permanently attached to land or connected with water, gas, electric or sewage facilities."
Rhode Island	Mobile homes are taxed as personal property by local governments. Under the sales and tax law, the sale of mobile homes by retailers is subject to the imposition of the tax. Such homes sold on a casual basis by other than the retailers are exempt from the tax.
South Carolina	Mobile homes are <u>not</u> exempt from sales tax. In 1975, the South Carolina Legislature passed an Act which provided that mobile homes would be considered real property and would be treated for assessment purposes and exemption purposes as any other real property.
South Dakota	No response.
Tennessee	No response.
Texas	Mobile homes are treated as real property for property tax purposes. They are treated as motor vehicles for registration, titling and sales tax purposes.

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S T A T E	R E S P O N S E S
Texas (con't)	Mobile homes are defined as real property for property tax purposes under TEX. REV. CIV. STAT. ANN. art. 7146 (Vernon Supp. 1980). They are not considered improvements to realty, but are defined as real property regardless of whether or not they are attached to real estate. The sale of a mobile home is subject to the motor vehicle sales and use tax, TEX. TAX.-GEN.ANN. art. 6.01 et seq. (Vernon Supp. 1980). The tax is four percent of the purchase price and is paid by the purchaser at the time of titling and registering. Motor vehicle sales and use tax is imposed separately from the state sales and use tax. The rental of a mobile home is also taxed under the motor vehicle sales and use tax. The tax is four percent of the gross rental receipts and is paid by the person renting the vehicle. Mobile homes are required to be titled under TEX. REV. STAT. ANN. art. 6687-1 (Vernon 1977), and registered under TEX. REV. CIV. STAT. ANN. art. 6675-2 (Vernon 1977) as motor vehicles.
Utah	The sales of mobile homes between persons not regularly engaged in the business of selling mobile homes are exempt from sales or use tax as isolated or occasional sales

STATE	RESPONSES
Utah (cont'd)	unless the purchasers obtain vehicle titles, in which case the isolated or occasional exemption does not apply. Mobile homes are placed on the secured or unsecured property tax rolls depending upon ownership of the land. If the owner of the unit owns the land where the unit has situs, the assessor must list the property on the secured or attached rolls.
Vermont	The State of Vermont does not exclude mobile homes from sales taxes. The state does permit mobile homes to be taxed as real property if they are affixed to the land. Factors which tend to show that the mobile home has become affixed to the land include, but are not limited to, some or all of the following: (1) The mobile home has been set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support; (2) The mobile home has been connected to utilities such as electricity, sewage, water, gas, or oil; (3) Skirting has been erected around the base of the mobile home; (4) The wheels and/or tires have been removed; (5) The mobile home has been situated in a place which makes its removal unlikely.

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STATE	RESPONSES
Virginia	Mobile homes sold within the State of Virginia are subject to the motor vehicle sales and use tax at a rate of three (3) percent of the sales price exclusive of trade-in value. Mobile homes permanently attached to real estate that are included in the sale of the real estate are exempt from this tax. Mobile homes in Virginia are also subject to taxation as tangible personal property as opposed to real personal property. While localities are allowed to specify different rates of taxation on real and tangible personal property, it is required that mobile homes be taxed at the same rate as the rate of levy imposed on real estate (Section 58-851). This provision insures, within a locality, equal tax treatment of both mobile homes and real estate.
Washington	Sales of used mobile homes that are permanently located (placed on a foundation and connected to utilities) are exempted from retail sales and use tax. Such sales are instead subject to 1.0 percent real estate excise tax, provided that the immediately preceding sales or uses of the mobile homes were subject to retail sales or use tax, or provided that the 1.0 percent real estate excise tax was imposed on the transaction by which the present seller obtained the home. Also exempt from retail sales tax are rentals of mobile homes for periods in excess of 30 days.

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STATE	RESPONSES
Washington (cont'd)	Mobile homes are considered real property for tax purposes if the mobile home has substantially lost its identity as a mobile unit by virtue of its being permanently fixed in a location upon land owned or leased by the owner of the mobile home and placed on a permanent foundation with fixed pipe connections with sewer, water, or other utilities.
West Virginia	Mobile homes are subject to sales and use taxes. Mobile homes are treated as real property for tax purposes if the land on which the mobile home is located is owned by the owner of the mobile home.
Wisconsin	Mobile homes with attachments, annexes, foundations and appurtenances, whose assessible value equals or exceeds 50% of the assessible value of the mobile home are taxable as real estate. If a mobile home is sold by a retailer for installation in a mobile home park or other place where the land is owned by someone other than the mobile home purchaser, the mobile home is considered to be personal property and is subject to Wisconsin's sales and use taxes. The rental of such a mobile home is also taxable. Mobile homes receive the same sales tax treatment as other factory-built homes if the seller of a mobile home permanently affixes the mobile home to land owned by the purchaser so

STATE	RESPONSES
Wisconsin (cont'd)	that it becomes a realty improvement. To be considered permanently affixed to the land, a mobile home must be on a foundation and connected to utlities. A mobile home is on a foundation when it is off wheels and setting on cement blocks, a cement foundation or other building materials.
Wyoming	Mobile homes over eight feet wide are assessed for ad valorem taxes either as personal property or improvements to real estate in the same manner as other residental properties. Eight foot wide mobile homes have the option of paying in lieu taxes under the Motor Vehicle Registration laws, being assessed as personal property or being assessed as improvements to real estate. When sales tax has been paid on the original purchase by the user, no sales tax is levied upon a subsequent sale of a mobile home which is permanently or semipermanently attached to real property if the real property to which it is attached or the right to use thereof is included as a part of the subsequent sale. When, as a condition of the sale, mobile homes are to be moved from the land to which they are attached, sales tax is due upon the sale.

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APPENDIX B

Summary of measures considered by the 1979 legislature relating to mobile homes, mobile home parks and mobile home park landlord tenant relations.

Matters relating to mobile homes were a topic of major concern to the 1979 legislature. The Index and Tables to the 60th Session lists 33 measures which deal, at least in part, with either mobile homes or mobile home parks. Eleven of these measures (A.B. 426, A.B. 453, A.B. 769, A.B. 784, A.C.R. 3, S.B. 173, S.B. 204, S.B. 356, S.B. 455, S.B. 484, S.B. 550) became law.

The mobile home measures which generated the most controversy dealt with rent control and mobile home park landlord tenant rights and duties. These bills came in two groups. First, A.B. 100, A.B. 195, A.B. 390 and A.B. 525 were considered by the assembly committee on commerce. None of these measures, however, became law.

The bills provided different mechanisms for rent review. A.B. 100 called for review and rent level approval to be done by a certified public accountant. A.B. 195 created a seven member commission on mobile home parks to do the reviews and possibly set the level of rent. A.B. 390 provided for a five member board in Clark County to review rents. No rate setting provision, however, was contained in this bill. And, A.B. 525, which contained many other "tenant rights" provisions besides rent review, allowed any city or county to establish a five member board to review rent increases.

The following is a brief summary of certain of the provisions contained in these bills.

A.B. 100

1. A.B. 100 declared legislative intent for the need for mobile home park rent control.
2. It established a mechanism for boards of county commissioners to determine by resolution, mobile home park vacancy factors and provided for the exclusion, and termination of such exclusion, from the bill's provisions on account of vacancy factor findings by the boards.
3. It provided for increases in rent calculated on the difference between the consumer price index between a specified base index and current index.
4. It required (a) any proposed increase in rent to be approved by a certified public accountant who is not otherwise in the employ of the landlord and (b) the accountant's fees to be paid by the tenants of the park on a pro rata basis.
5. And, finally, A.B. 100 provided penalties for violations of its provisions.

A.B. 195

1. Declared legislative intent for the need for mobile home park rent control and created a seven member commission on mobile home parks, appointed by the governor for unspecified terms, and defined the board's organization, power and duties, and membership.
2. A.B. 195 exempted mobile home parks which are established by an employer solely for the use and occupancy of his employees.
3. It established a mechanism for boards of county commissioners to determine, by resolution, mobile home park vacancy factors and provided for the exclusion, and termination of such exclusion, from the bill's provisions on account of vacancy factor findings by the county commissioners.
4. It created the regulatory fund for mobile home parks to be paid for out of registration fees.
5. It provided for the annual registration, with the commission, of mobile home parks containing 75 or more mobile home lots, required that each applicant pay a fee of $1 for each mobile home lot contained in the park and permitted the landlord to recover the fees by charging each tenant an annual $1 fee for such purpose.
6. It permitted mobile home tenants to petition the commission to review increases in rent or service fees, or decreases in services, when the tenants have received written notice advising them of any increase in rent or service fee in any calendar year which is in excess of the net increases in the consumer price index since the last increase in rent or service fee; or the cumulative increase in the cost of living during the next preceding years when taken together with all increases of rent charged in the park during the same period.
7. It provided for a review and determination of rent increases or service reductions by the commission and established criteria for rent increases which are attributable to increases in utility rates, property taxes and assessments, fluctuations in property value, increases in the cost of living relevant to incidental services and normal repair and maintenance, and capital improvements not otherwise promised or contracted for.
8. It set procedures for petitioning the court for enforcement of commission's orders.
9. And, finally, A.B. 195 provided penalties for violations of its provisions.

A.B. 390 and A.B. 525

The rent review procedures in A.B. 390 and A.B. 525 were somewhat similar and so I will cover them together.

They permitted the governing board to provide by ordinance for a five member board to review increases in the rents charged for mobile home lots if the governing board determines that an emergency exists with regard to these lots.

The bills permitted the board for rent review to (a) receive written complaints concerning mobile home lot rent increases; (b) review any proposed or actual increase in rent; (c) issue public announcements containing the name of the mobile home park against which a complaint has been filed with the board and the park's increase in rent; (d) impose a period of up to 60 days from the scheduled effective date of the proposed increase in rent during which the rent may not be increased; (e) recommend a settlement between the tenant and the landlord through the means of an advisory opinion, mediation or negotiation; and (f) recommend to the board of county commissioners changes in any applicable ordinance or in the procedures of the board for rent control.

A.B. 525, which had many other landlord-tenant provisions, specified that if the governing bodies of a city and county both provide for a board to review rent increases, the board established by the city has exclusive jurisdiction over rent review within the city.

S.B. 549

S.B. 549, which was similar to A.B. 195, was the only mobile home rent control bill to be considered by the senate. It died in the senate committee on the judiciary.

A.B. 768, A.B. 784 and A.B. 787

The assembly committee on commerce reached an impasse on the mobile home rent control bills mentioned earlier and had three measures, A.B. 768, A.B. 784 and A.B. 787, drafted for consideration. A.B. 768, provided for the review of rents and the adjustment of grievances in mobile home parks in certain circumstances. A.B. 787, which did not contain a rent review provision, revised certain duties and requirements under NRS 118.230 to 118.340, inclusive, "Landlord and tenant: Mobile home lots" and added new penalties for violations of its provisions.

A.B. 784 was the "compromise" landlord-tenant bill which passed the legislature. The bill, which became chapter 692, Statutes of Nevada 1979, does not contain a rent control provision. It does, however, provide that the governing body of each city and county may establish a board to mediate grievances between landlords and tenants of mobile home parks. If such a board is created it must include owners and tenants of mobile home parks as well as members

representing the general public. Boards are required to attempt to adjust grievances between landlords and tenants by means of mediation or negotiation, recommend changes in local ordinances relating to mobile home parks, recommend measures to promote equity and encourage the development of mobile home parks to meet community needs. The act specifies that a written rental contract or lease must be executed between a landlord and tenant if so requested by either party. The written rental contract or lease must contain the following 11 specific subjects:

1. Duration of the agreement.
2. Amount of rent, the manner and time of its payment, and the amount of any charges for late payment and dishonored checks.
3. Restrictions on and charges for occupancy by children or pets.
4. Services and utilities included with the lot rental and the responsibility of maintaining or payment for the services and utilities.
5. Fees which may be required and the purposes for which they are required.
6. Deposits which may be required and the conditions for their refund.
7. Maintenance which the tenant is required to perform and any appurtenances he is required to provide.
8. The name and address of the owner of the mobile home park of his authorized agent.
9. Any restrictions on subletting.
10. The number of and charges for persons who are to occupy a mobile home on the lot.
11. Any recreational facilities and other amenities provided t the tenant.

A.B. 784 also specifies certain acts which are not allowed of a landlord or his agent or employee including (1) charging any fee for the tenant's spouse or children other than as provided in the lease; (2) charging any unreasonable fee for pets kept by a tenant in the park; (3) increasing rents or service fees unless such fees apply in a uniform manner to all tenants similarly situated, except that a discount may be selectively given to persons who are handicapped or who are 62 years of age or older; and (4) interrupting, with intent to terminate occupancy, any utility service furnished the tenant except for nonpayment of utility charges when due. Any landlord who violates the utility service provision is liable to the tenant for actual damages and $100 in exemplary damages for each day that the tenant is deprived of utility service.

A major point of interest to many in the bill is the removal from previous law of a provision that permitted a landlord to

require that, if a tenant sold his mobile home, the mobile home be removed from the park if the mobile home is less than 12 feet wide or more than 10 years old.

Under the bill, unless further restricted by local ordinance, if more than 80 percent of the lots in a mobile home park are occupied, it is unlawful for a mobile home dealer, installer or salesman to rent or lease a vacant mobile home lot unless within 60 days he takes up residence in the mobile home or releases the lot to a qualified tenant. After the expiration of 60 days from the date of rental of the lot to the dealer, installer, or salesman, any qualified tenant is entitled, upon written request to the landlord to obtain release of the lot.

Any landlord who charges or receives any entrance or exit fee to a tenant assuming or leaving occupancy of a mobile home lot is subject to a misdemeanor on the first offense, a gross misdemeanor on the second, and for the third or subsequent offense, is subject to imprisonment for 1-6 years or a fine of not more than $5,000, or both. Violation of other specified provisions in the bill is a misdemeanor.

Other important bills affecting mobile homeowners and renters and park operators passed by the 1979 Nevada Legislature include A.B. 211 (chapter 447, Statutes of Nevada 1979), S.B. 550 (chapter 513, Statutes of Nevada 1979) and S.B. 173 (chapter 592, Statutes of Nevada 1979).

Assembly bill 211 specifies the circumstances under which mobile homes become real property. Mobile homes, if the running gear is removed, and factory built housing constitute real property after July 1, 1979, if they become permanently affixed to land which is owned by the owner of the mobile home or factory built housing. If they became so affixed before July 1, 1979, the owner may file with the county assessor by May 1, 1980, a statement declaring his desire to have the mobile home classified as real property. On loans secured for mobile homes which constitute real estate on real property, the charge for interest cannot exceed 18 percent of the unpaid balance of the amount of cash advanced. The act also covers identifiable charges or premiums for insurance for loans made on mobile homes and factory built housing classified as real property and specifies applicable fees on any loan which is secured in whole or in part by real property. Additionally, a borrower may be required to provide title insurance on real property offered as security for a loan under the act.

Senate bill 550 includes the acquisition or development of mobile home parks and facilities, the leasing or rental of

mobile home lots in a park, or the purchase, leasing or rental of mobile homes in the definition of housing project in the housing authorities' law. (See NRS 315.140 to 315.780, inclusive.

Senate bill 173 changes the name of the Nevada mobile home agency to the manufactured housing division, recodified mobile home related laws in the statutes, standardized certain bonding requirements and placed mobile home regulation responsibilities within the division.

Summaries of other measures affecting the mobile home owners or mobile home parks are available in the Summary of Legislation.

APPENDIX C

Suggested Legislation

SUMMARY--Revises provisions regulating persons who manufacture, sell, install and service mobile homes and similar vehicles. (BDR 43-15)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Effect less than $2,000.

AN ACT relating to mobile homes and similar vehicles; establishing a fund for education and recovery; providing a procedure for receivership of the assets of certain dealers; providing additional requirements for the licensing of manufacturers, dealers, rebuilders, servicemen, installers and salesmen; making an appropriation; and providing other matters properly relating thereto.

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

Section 1. Chapter 489 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 14, inclusive, of this act.

Sec. 2. 1. The fund for education and recovery is hereby created as a special revenue fund for the purpose of satisfying claims against persons licensed under this chapter. Any balance in the fund over $300,000 at the end of any fiscal year must be set aside and used by the administrator for education respecting mobile homes, travel trailers or commercial coaches.

2. Upon issuance or renewal of the following licenses by the division, the licensee must pay in addition to the original or renewal license fee, a fee:

(a) For a dealer's or manufacturer's original license, of $300.

(b) For a dealer's or manufacturer's renewal license, of $150.

(c) For an original or renewal license for:

(1) A serviceman or installer, of $50.

(2) A salesman, of $25.

Fees collected pursuant to this section must be deposited in the state treasury for credit to the fund.

3. Payments from the fund must be made only upon an appropriate court order.

Sec. 3. A person who commences a civil action against a licensee under this chapter upon grounds of fraud, misrepresentation or deceit with reference to any transaction for which a license is required under this chapter must, if the cause of action arose on or after July 1, 1981, serve a copy of the complaint upon the administrator within 6 months after the action is commenced.

Sec. 4. 1. When any person obtains a final judgment in any court of competent jurisdiction against any licensee under this chapter in an action described in section 3 of this act, the judgment creditor may, upon termination of all proceedings, including appeals in connection with any judgment, file a

verified petition in the court in which the judgment was entered for an order directing payment out of the fund in the amount of actual damages included in the judgment and unpaid, but not more than $25,000 per claimant and the liability of the fund may not exceed $100,000 for any licensee.

2. A copy of the petition must be served upon the administrator and an affidavit of service filed with the court.

3. The court shall act upon the petition within 30 days after service and, upon the hearing of the petition, the judgment creditor must show that:

(a) He is not the spouse of the judgment debtor, or the personal representative of that spouse.

(b) He has complied with all the requirements of sections 2 to 12, inclusive, of this act.

(c) He has obtained a judgment of the kind described in subsection 1, stating the amount of the judgment and the amount owing on it at the date of the petition.

(d) A writ of execution has been issued upon the judgment and that no assets of the judgment debtor liable to be levied upon in satisfaction of the judgment could be found, or that the amount realized on the sale of any of them as were found under the execution was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due.

(e) He has made reasonable searches and inquiries to ascerta whether the judgment debtor possesses real or personal property or other assets, liable to be sold or applied in satisfaction of the judgment.

(f) The petition has been filed no more than 1 year after the termination of all proceedings, including reviews and appeals, in connection with the judgment.

(g) He has posted a bond to guarantee costs, should his application be denied, in the amount of 10 percent of the actual damages he seeks from the fund.

Sec. 5. 1. The administrator may answer and defend any action against the fund in the name of the defendant and may use any appropriate method of review on behalf of the fund.

2. The judgment set forth in the petition must be considered as prima facie evidence only and the findings of fact in it are not conclusive for the purposes of this chapter.

3. The administrator may, subject to court approval, compromise a claim based upon the application of the judgment creditor. He shall not be bound by any prior compromise of the judgment debtor.

Sec. 6. 1. Whenever multiple claims against a licensee are filed against the fund and they exceed in the aggregate $100,00 the maximum liability of the fund for the licensee must be distributed among the claimants in the ratio that their respective

claims bear to the total of all claims, or in any other manner that the court may find equitable.

2. The distribution must be made without regard to the order of priority in which the claims were filed or judgments entered.

3. Upon the petition of the administrator, the court may require all claimants and prospective claimants to be joined in one action so that the respective rights of all claimants may be equitably determined.

4. If, at any time, the money deposited in the fund is insufficient to satisfy any authorized claim or portion of a claim, the administrator shall, when sufficient money has been deposited in the fund, satisfy the unpaid claims or portions thereof, in the order that the claims or portions thereof were originally filed, plus accumulated interest at the rate of 6 percent per annum.

Sec. 7. After the hearing, if the court finds that a claim may be made against the fund, the court shall enter an order directing the administrator to pay from the fund an amount within the limitations set by sections 4 and 6 of this act.

Sec. 8. When the administrator has paid from the fund any sum to the judgment creditor, the administrator is subrogated to all other rights of the judgment creditor and the judgment creditor shall assign all his right, title and interest in the

judgment to the administrator and any amount and interest so recovered by the administrator on the judgment must be deposited in the fund.

Sec. 9. The failure of a person to comply with any of the provisions of sections 2 to 12, inclusive, of this act constitutes a waiver of any rights under those sections.

Sec. 10. The bond required by section 4 of this act must be furnished in accordance with chapter 20 of NRS and must be conditioned upon compliance with the requirements of sections 2 to 12, inclusive, of this act. Recovery against the bond must be authorized by the court if, after proceeding upon a petition, it rules in favor of the administrator on behalf of the fund.

Sec. 11. If the administrator pays any amount in settlement of a claim or towards satisfaction of a judgment against a licensee from the fund for education and recovery the license will be automatically suspended upon the effective date of an order by the court authorizing payment from the fund. A licensee may not be granted reinstatement until he has repaid in full, plus interest at the rate of 6 percent per annum, the amount paid from the fund on his behalf. Interest is to be computed from the date payment from the fund is made.

Sec. 12. Nothing contained in sections 2 to 12, inclusive, of this act limits the authority of the administrator to take

disciplinary action against a licensee for a violation of any of the provisions of this chapter or of the regulations of the division, nor does the repayment in full of obligations to the fund by any licensee nullify or modify the effect of any other disciplinary proceeding brought pursuant to the provisions of this chapter or the regulations adopted under it.

Sec. 13. 1. When the administrator ascertains by examination or otherwise that the assets or capital of any dealer are impaired or that a dealer's affairs are in an unsafe condition, he may immediately take possession of all the property, business and assets of the dealer which are located in this state and retain possession of them pending further proceedings provided for in section 14 of this act.

2. If the board of directors or any officer or person in charge of the offices of the dealer refuses to permit the administrator to take possession of its property, the administrator shall communicate that fact to the attorney general. Thereupon the attorney general shall immediately institute such proceedings as may be necessary to place the administrator in immediate possession of the property of the dealer. The administrator thereupon shall make an inventory of the assets and known liabilities of the dealer.

3. The administrator shall file one copy of the inventory in

his office and one copy in the office of the clerk of the district court of the county in which the principal office of the dealer is located and shall mail one copy to each stockholder, partner, officer or associate of the dealer at his last-known address.

4. The clerk of the court with which the copy of the inventor is filed shall file it as any other case or proceeding pending in the court and shall give it a docket number.

Sec. 14. 1. The officers, directors, partners, associates or stockholders of the dealer may, within 60 days from the date when the administrator takes possession of the property, business and assets, make good any deficit which may exist or remedy the unsafe condition of its affairs.

2. At the expiration of that time, if the deficiency in assets or capital has not been made good or the unsafe condition remedied, the administrator may apply to the court to be appointed receiver and proceed to liquidate the assets of the dealer which are located in this state in the same manner as provided by law for liquidation of a private corporation in receivership.

3. No other person may be appointed receiver by any court without first giving the administrator ample notice of his application.

4. The inventory made by the administrator and all claims filed by creditors are open at all reasonable times for inspection and any action taken by the receiver upon any of the claims is subject to the approval of the court before which the cause is pending.

5. The administrator shall, subject to the approval of the court, fix his expenses as receiver, the compensation of counsel and all expenditures required in the liquidation proceedings and, upon his certification, pay them out of the money he holds as receiver.

Sec. 15. NRS 489.145 is hereby amended to read as follows:

489.145 "Serviceman" means a person who owns or is the responsible managing employee of a business which installs or repairs [electrical or plumbing] awnings, roofing, skirting, or other fixtures, devices or appliances on or in mobile homes or commercial coaches, except:

1. Any person employed by a licensed manufacturer; and

2. The owner or purchaser of a mobile home or commercial coach.

Sec. 16. NRS 489.231 is hereby amended to read as follows:

489.231 1. In order to carry out the provisions of this chapter, the administrator may:

(a) Issue subpenas for the attendance of witnesses or the production of books, papers and documents;

(b) Conduct hearings; and

(c) Administer oaths.

2. The administrator may apply for and receive grants from the United States Secretary of Housing and Urban Development for development of and carrying out a plan for enforcement and administration of federal standards of mobile home safety and construction [standards for] respecting mobile homes offered for sale or lease in this state.

3. The administrator may adopt regulations to ensure acceptance by the Secretary of Housing and Urban Development of the state plan for administration and enforcement of federal standards of mobile home safety and construction [standards] in accordance with the National Mobile Home Construction and Safety Standards Act of 1974 (42 U.S.C. §§ 5401 et seq.).

4. The administrator may make inspections, approve plans and specifications, provide technical services, issue certificates and labels of compliance, collect fees provided for in this chapter and adopt regulations necessary to carry out his duties under this chapter if no federal agency is performing adequate inspections.

5. The administrator or his representative may enter, at reasonable times and without notice, any factory, warehouse or establishment in which mobile homes are manufactured, stored or

held for sale and inspect at reasonable times in a reasonable manner the premises and books, papers, records and documents which are relevant to the manufacture of mobile homes and compliance with the National Mobile Home Construction and Safety Standards Act of 1974 (42 U.S.C. §§ 5401 et seq.)[. A district court] and to compliance by landlords of mobile home parks with the prohibition in NRS 118.270 against charging or receiving any entrance or exit fee. A magistrate shall issue a warrant to permit an inspection if the administrator has shown:

(a) Evidence that a violation of a provision of this chapter has been committed or is being committed; or

(b) That the business has been chosen for an inspection on the basis of a general administrative plan for the enforcement of the provisions of this chapter.

Sec. 17. NRS 489.311 is hereby amended to read as follows:

489.311 [1.] Except as provided by NRS 489.331, no person may engage in the business of a new or used mobile home dealer, manufacturer, rebuilder, serviceman or installer of a mobile home or commercial coach in this state, or be entitled to any other license or permit required by this chapter, until he has applied for and has been issued a dealer's, manufacturer's, rebuilder's, serviceman's or installer's license by the division.

[2. The division shall investigate any applicant for a license and complete an investigation report on a form provided by the division.]

Sec. 18. NRS 489.321 is hereby amended to read as follows:

489.321 1. Applications for a manufacturer's, dealer's, rebuilder's, serviceman's or installer's license must be filed upon forms supplied by the division, and the applicant shall furnish:

(a) Any proof the division may deem necessary that the applicant is a manufacturer, dealer, rebuilder, serviceman or installer.

(b) Any proof the division may require that the applicant has an established place of business for the sale and display of mobile homes in the state.

(c) Any proof the division may require of the applicant's good character and reputation and of his fitness to engage in the activities for which the license is sought.

(d) A complete set of his fingerprints and written permission authorizing the administrator to forward those fingerprints to the Federal Bureau of Investigation for its report. The administrator may exchange with the Federal Bureau of Investigation any information respecting the fingerprints of an applicant under this section.

(e) In the case of a dealer of new mobile homes, an instrument in the form prescribed by the division executed by or on behalf of the manufacturer certifying that the applicant is an authorized franchise dealer for the make or makes concerned.

[(d)] (f) If the application is for a license as a manufacturer, dealer or rebuilder, a good and sufficient bond in the amount of $10,000, the surety for which is a corporation licensed to do business as a surety in this state, which has been approved as to form by the attorney general. The bond must be conditioned on the conduct of business by the applicant without fraud or fraudulent misrepresentation and without violation of any provision of this chapter, including fraud or violation by salesmen of dealers and rebuilders acting within the scope of employment, and must provide that any person injured by an action of the dealer, rebuilder, manufacturer or salesman may bring an action on the bond.

[(e)] (g) In lieu of a bond, an applicant or licensee may deposit with the state treasurer, under terms prescribed by the division:

(1) A like amount of lawful money of the United States or bonds of the United States or the State of Nevada of an actual market value [of] not less than the amount fixed by the division; or

(2) A savings certificate of a bank, building and loan association or savings and loan association situated in Nevada which indicates an account of an amount equal to the amount of the required bond, and which indicates that the amount cannot be withdrawn except upon order of the division. Interest earned on the account accrues to the applicant or licensee.

[(f)] (h) A reasonable fee fixed by regulation.

[(g)] (i) Any additional requirements the division may from time to time prescribe by regulation.

2. [Upon receipt of an application and when satisfied that the applicant is entitled to it,] Within 120 days after receipt of a complete application, the division shall thoroughly investigate the information contained in the application. The investigation must include a review of any criminal records pertaining to the applicant which the division can obtain.

3. The administrator may issue a provisional license pending receipt of the report from the Federal Bureau of Investigation. Upon receipt of the report and a determination by the administrator that the applicant is qualified, the division shall issue to the applicant a dealer's, manufacturer's, installer's, rebuilder's or serviceman's license certificate containing the applicant's name and the address of his fixed place of business.

[3.] 4. Each license is valid for a period of 2 years from the date of issuance and may be renewed for like consecutive periods upon application to and approval by the division.

Sec. 19. NRS 489.341 is hereby amended to read as follows:

489.341 1. A person may not engage in the activity of a salesman of a mobile home or commercial coach in this state without first having received a license from the division. Before issuing a license to engage in the activity of a salesman, the division shall require:

(a) An application, signed and verified by the applicant, stating that the applicant is to engage in the activity of a salesman, his residence address, and the name and address of his employer.

(b) Proof of the employment of the applicant by a licensed dealer or rebuilder at the time the application is filed.

(c) Proof of the applicant's good character and reputation and of his fitness to engage in the activity of a salesman.

(d) A complete set of his fingerprints and written permission authorizing the administrator to forward those fingerprints to the Federal Bureau of Investigation for its report. The administrator may exchange with the Federal Bureau of Investigation any information respecting the fingerprints of an applicant under this section.

(e) A statement as to whether any previous application of the applicant has been denied or license revoked.

[(d)] (f) Payment of a reasonable license fee established by regulation.

[(e)] (g) Any other information the division deems necessary

2. Within 120 days after receipt of a complete application, the division shall thoroughly investigate the information contained in the application. The investigation must include a review of any criminal records pertaining to the applicant which the division can obtain.

3. The administrator may issue a provisional license pending receipt of the report from the Federal Bureau of Investigation. Upon receipt of the report and a determination by the administrator that the applicant is qualified, the division shall issue to the applicant a salesman's license certificate containing the applicant's name and the address of his employer's place of business.

4. Each license is valid for a period of 2 years from the date of issuance and may be renewed for like consecutive periods upon application to and approval by the division.

[3.] 5. A salesman may not engage in sales activity other than for the account of or for and in behalf of a single employer who is a licensed dealer or rebuilder.

[4.] 6. A salesman's license issued under this section may be transferred to another dealer or rebuilder upon application and the payment of a transfer fee of $2. When a salesman holding a current salesman's license leaves the employment of one dealer or rebuilder for that of another, the new employer may employ the salesman pending the transfer of the salesman's license to his dealership or rebuilding business if the transfer is completed within 10 days.

[5.] 7. A salesman's license must be posted in a conspicuous place on the premises of the dealer or rebuilder for whom he is licensed to sell mobile homes or commercial coaches.

[6.] 8. If a salesman ceases to be employed by a licensed dealer or rebuilder, his license to act as a salesman is automatically suspended and his right to act as a salesman shall thereupon immediately cease, and he shall not engage in the activity of a salesman until reemployed by a licensed dealer or rebuilder. Every licensed salesman shall report in writing to the division every change in his place of employment, or termination of employment within 5 days of the date of making the change.

Sec. 20. NRS 489.351 is hereby amended to read as follows:

489.351 The division [may] shall require oral or written examinations of the applicants for [an] a dealer's, installer's, salesman's or serviceman's license.

Sec. 21. NRS 118.270 is hereby amended to read as follows:

118.270 The landlord or his agent or employee shall not:

1. Charge or receive:

(a) Any entrance or exit fee [to a tenant] for assuming or leaving occupancy of a mobile home lot.

(b) Any transfer or selling fee or commission as a condition to permitting a tenant to sell his mobile home within the mobile home park even if the mobile home is to remain within the park, unless the landlord has acted as the mobile home owner's agent in the sale pursuant to a written contract.

(c) Any security or damage deposit the purpose of which is to avoid compliance with the provisions of subsection 5.

(d) Any fee for the tenant's spouse or children other than as provided in the lease.

(e) Any unreasonable fee for pets kept by a tenant in the park. If special facilities or services are provided, the landlord may also charge a fee reasonably related to the cost of maintenance of the facility or service and the number of pets kept in the facility.

2. Increase rent or service fees unless:

(a) The rental rates or the increase in service fees applies in a uniform manner to all tenants similarly situated or, if it is a service fee, to a given circumstance, except that a discour

may be selectively given to persons who are handicapped or who are 62 years of age or older; and

(b) Written notice advising a tenant of the increase is sent to the tenant 60 days in advance of the first payment to be increased and written notice of the increase is given to prospective tenants on or before commencement of their tenancy.

3. Deny any tenant the right to sell his mobile home within the park or require the tenant to remove the mobile home from the park solely on the basis of such sale, except as provided in NRS 118.280.

4. Prohibit any tenant desiring to sell his mobile home within the park from advertising the location of the mobile home and the name of the mobile home park or prohibit the tenant from displaying at least one sign of reasonable size advertising the sale of the mobile home.

5. Prohibit any meetings held in the park's community or recreation facility by the tenants or occupants of any mobile home in the park to discuss mobile home living and affairs, or any tenant-sponsored political meeting, if such meetings are held at reasonable hours and when the facility is not otherwise in use.

6. Interrupt, with the intent to terminate occupancy, any utility service furnished the tenant except for nonpayment of

utility charges when due. Any landlord who violates this subsection is liable to the tenant for actual damages and $100 in exemplary damages for each day that the tenant is deprived of utility service.

7. Require that he be an agent of an owner of a mobile home who desires to sell the mobile home.

8. Unless prohibited by a written lease or a general rule or regulation of the park if there is no written lease, unreasonably prohibit a tenant from subleasing his mobile home lot if the prospective subtenant meets the general requirements for tenancy in the park.

Sec. 22. Each person who holds a dealer's, installer's, salesman's or serviceman's license on July 1, 1981, must take and pass the examination provided for in NRS 489.351 before his license may be renewed.

Sec. 23. There is hereby appropriated from the manufactured housing fund created by NRS 489.491 to the fund for education and recovery created by section 2 of this act the sum of $130,000.

SUMMARY--Requires escrow for certain sales of mobile homes. (BDR 52-16)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to mobile homes; requiring escrow for sales of new and used mobile homes by dealers in mobile homes; providing exemplary damages in certain actions; providing a ground for disciplinary action against those dealers; and providing other matters properly relating thereto.

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

Section 1. Chapter 598 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. As used in sections 3 to 6, inclusive, of this act, unless the context otherwise requires:

1. "Dealer" means any person who:

(a) Is engaged wholly or in part in the business of selling mobile homes, or buying or taking them in trade for the purpose of resale, selling, or offering for sale or consignment to be sold or otherwise dealing in mobile homes; or

(b) Receives or expects to receive a commission, money, brokerage fees, profit or any other thing of value from either the seller or purchaser of any mobile home,

whether or not the mobile home is owned by that person.

2. "Mobile home" means a vehicular structure which is:

(a) Built on a permanent chassis;

(b) Designed to be used with or without a permanent foundation as a dwelling when connected to utilities;

(c) Transportable in one or more sections; and

(d) More than 8 feet in body width and more than 32 feet in body length. Neither the width nor the length includes bay windows, porches, drawbars, couplings, hitches, wall or roof extensions or other attachments.

The term does not include a vehicular structure primarily designed as temporary living quarters for travel, recreational or camping use, which may be self-propelled or mounted upon, or drawn by, a motor vehicle.

Sec. 3. 1. Every dealer in mobile homes shall establish an escrow account with an escrow agent licensed to do business in this state when a purchaser signs a purchase order, conditional sales contract or security agreement for a new or used mobile home. The dealer shall immediately deposit into the escrow account any cash or equivalent of cash received from the purchaser at any time before delivery as whole or partial payment for the mobile home.

2. No deposits may be disbursed from the escrow account to the dealer until:

(a) The purchaser receives delivery of the mobile home on the site intended for occupancy and a certificate of installation is issued by the manufactured housing division of the department of commerce and an installation seal affixed to the mobile home; or

(b) The mobile home is delivered to the location specified in the escrow instructions and the installation is to be performed by the purchaser.

The manufactured housing division shall deliver to the purchaser a copy of any inspection report which indicates any failure of the installation of the mobile home to comply with the division's regulations. The dealer shall send a copy of the certificate of installation to the escrow agent administering the escrow account on the mobile home.

3. Before the close of escrow, the dealer shall furnish the escrow agent with:

(a) The name and address of the legal owner of, or lienholder on, the mobile home as shown on the certificate of ownership or the manufacturer's certificate of origin; and

(b) A release, signed and acknowledged, of all rights, title or interest in the mobile home held by the legal owner or lienholder, as the case may be. The release must be conditioned upon the receipt of payment from the escrow account of

the amount set forth in the release which is necessary to terminate the interest in the mobile home.

4. Except as provided in this subsection, the escrow must terminate and a full refund must be made to the purchaser 120 days from the date of the purchase order, sales contract or security agreement, whichever is earlier, unless delivery is made within that period. The purchaser and seller may agree in writing to extend the time for periods of 30 days with written notice to the escrow agent.

Sec. 4. 1. No dealer in mobile homes may establish an escrow account in an escrow company in which he owns an interest of more than 5 percent.

2. No agreement may contain any provision by which the purchaser agrees to waive or forego any rights or remedies afforded by sections 2 to 6, inclusive, of this act, and any such provision is void as contrary to public policy.

Sec. 5. The real estate division of the department of commerce shall adopt regulations concerning the establishment and maintenance of escrow accounts under sections 2 to 6, inclusive, of this act.

Sec. 6. In an action to enforce any right granted under, or to recover damages for any violation of, sections 2 to 6, inclusive, of this act, the prevailing party, in addition to

his other damages, may recover exemplary damages not to exceed $2,000.

Sec. 7. NRS 489.421 is hereby amended to read as follows:

489.421 The following grounds, among others, constitute grounds for disciplinary action under NRS 489.381:

1. Revocation or denial of a license issued pursuant to this chapter or an equivalent license in any other state, territory or country.

2. Failure of the licensee to maintain any other license or bond required by any political subdivision of this state.

3. Failure to respond to a notice served by the division as provided by law within the time specified in the notice.

4. Disregarding or violating any of the provisions of sections 2 to 6, inclusive, of this act or any provision of this chapter or any regulation adopted under this chapter.

5. Conviction of a misdemeanor for violation of any of the provisions of this chapter.

6. Conviction of a felony or a crime of moral turpitude in this state or any other state, territory or country.

Sec. 8. NRS 489.721 is hereby amended to read as follows:

489.721 Any dealer who does not have title to a [mobile home or] commercial coach must deposit any money received from the sale of that [mobile home or] commercial coach in a fiduciary account until the sale is completed or terminated.

SUMMARY--Provides for submission at next general election of question proposing refund of sales and use tax paid on certain mobile homes. (BDR 32-17)
Fiscal Note: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxation; providing for the submission to the registered voters at the general election in 1982 of the question whether the Sales and Use Tax Act of 1955 should be amended to provide a refund of those taxes paid on certain mobile homes; contingently creating similar exemptions from certain analogous taxes; and providing other matters properly relating thereto.

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

Section 1. At the general election on November 2, 1982, a proposal shall be submitted to the registered voters of this state to amend the Sales and Use Tax Act, which was enacted by the 47th session of the legislature of the State of Nevada and approved by the governor in 1955, and subsequently approved by the people of this state at the general election held on November 6, 1956.

Sec. 2. At the time and in the manner provided by law, the secretary of state shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

Sec. 3. The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the general election on November 2, 1982, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; definir certain terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. The above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to be designated as section 62, which shall immediately follow section 61 and shall read as follows:

Sec. 62. 1. The purchaser of a mobile home who, following its sale or its arrival in Nevada for storage, use or consumption in this state, installs the mobile home

in the manner necessary to constitute it as real property for the purpose of property taxation is entitled to a refund of the tax paid on the mobile home under this chapter upon proper proof of that installation.

2. As used in this section, "mobile home" means a vehicular structure which is:

(a) Built on a permanent chassis;

(b) Designed to be used with or without a permanent foundation as a dwelling when connected to utilities;

(c) Transportable in one or more sections; and

(d) More than 8 feet in body width and more than 32 feet in body length. Neither the width nor the length includes bay windows, porches, drawbars, couplings, hitches, wall or roof extensions or other attachments.

The term does not include a vehicular structure primarily designed as temporary living quarters for travel, recreational or camping use, which may be self-propelled or mounted upon, or drawn by, a motor vehicle.

Sec. 2. This act shall become effective on January 1, 1983.

Sec. 4. The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act be amended to provide a refund of the tax paid on a mobile home which is installed in the manner necessary to constitute it as real property for the purpose of property taxation?

Sec. 5. The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and posting of notice of the question must be in substantially the following form:

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act would provide a refund of the tax paid under that act on a mobile home which is bought, shipped or brought into Nevada on or after January 1, 1983, and installed in a manner which constitutes it as real property for the purpose of property taxation. If this proposal is adopted, the legislature has provided that the Local School Support Tax Law and the City-County Relief Tax Law will be amended to provide the same refunds. A "Yes" vote is to provide for the refund on a mobile home installed in a manner which constitutes it as real property for the purpose of property taxation. A "No" vote is a vote not to provide the refund on a mobile home installed in a manner which constitutes it as real property for the purpose of property taxation.

Sec. 6. If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 shall become effective on January 1, 1983. If a majority of votes cast on the question is no, the question shall have failed and the amendment to the Sales and Use Tax Act of 1955 shall not become effective.

Sec. 7. All general election laws not inconsistent with this act are applicable.

Sec. 8. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the office of the secretary of state whether the proposed amendment was adopted or rejected by a majority of those registered voters.

Sec. 9. Chapter 372 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. The purchaser of a mobile home may obtain a refund to which he is entitled under section 62 of the Sales and Use Tax Act by filing a claim for the refund with the assessor of the

county in which the mobile home is situated, together with such proof of:

(a) The amount of tax paid on the mobile home under this chapter; and

(b) The installation of the mobile home in the manner necess to constitute it as real property under NRS 361.244, as the county assessor may require. If the county assessor finds that the proof presented is sufficient to entitle the claimant to the refund, he shall certify that finding upon the claim and forward it to the department for payment.

2. No refund may be allowed unless a claim is filed with the county assessor within 1 year from the date the tax is paid.

Sec. 10. Chapter 374 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. The purchaser of a mobile home who, following its sale or its arrival in Nevada for storage, use or consumption in this state, installs the mobile home in the manner necessary to constitute it as real property for the purpose of property taxation is entitled to a refund of the tax paid on the mobile home under this chapter upon proper proof of that installation.

2. The purchaser may obtain the refund by filing a claim for it with the assessor of the county in which the mobile home is situated, together with such proof of:

(a) The amount of tax paid on the mobile home under this chapter; and

(b) The installation of the mobile home in the manner necessary to constitute it as real property under NRS 361.244,

as the county assessor may require. If the county assessor finds that the proof presented is sufficient to entitle the claimant to the refund, he shall certify that finding upon the claim and forward it to the department for payment.

3. No refund may be allowed unless a claim is filed with the county assessor within 1 year from the date the tax is paid.

4. As used in this section, "mobile home" means a vehicular structure which is:

(a) Built on a permanent chassis;

(b) Designed to be used with or without a permanent foundation as a dwelling when connected to utilities;

(c) Transportable in one or more sections; and

(d) More than 8 feet in body width and more than 32 feet in body length. Neither the width nor the length includes bay windows, porches, drawbars, couplings, hitches, wall or roof extensions or other attachments.

The term does not include a vehicular structure primarily designed as temporary living quarters for travel, recreational or camping use, which may be self-propelled or mounted upon, or drawn by, a motor vehicle.

Sec. 11. Sections 1 to 8, inclusive, and this section of this act shall become effective on July 1, 1981. Sections 9 and 10 of this act shall become effective on January 1, 1983, only if the question provided for in section 3 of this act is approved by the voters at the general election on November 2, 1982.

SUMMARY--Revises reporting requirements for housing division of department of commerce. (BDR 25-18)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the housing division of the department of commerce; revising requirements for reports of its activities under the Nevada Housing Finance Law; and providing other matters properly relating thereto.

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

Section 1. NRS 319.140 is hereby amended to read as follows:

319.140 1. The division shall administer the provisions of this chapter. The administrator may adopt [, amend or rescind] regulations, consistent with the provisions of this chapter, appropriate to carry out its purposes.

2. The administrator may make copies of all proceedings and other records and documents of the division and issue certificates under the seal of the division to the effect that the copies are true copies, and all persons dealing with the division may rely upon [such] those certificates.

3. The division may employ or contract for the services of attorneys, accountants, financial experts and any other advisers, employees, consultants and agents as the administrator may determine to be necessary.

4. Before September 1 of each [even-numbered] year the division shall submit a report of its activities for the [biennium] fiscal year ending June 30 of that year to the governor, state treasurer and the legislature. [Each such report shall] The report must set forth a complete operating and financial statement of the division during [such biennium.] that fiscal year. The report must also:

(a) Specify:

(1) The amount of land acquired from governmental agencies and sold by the division for the purpose of developing housing in mobile homes for persons of low and moderate income;

(2) The number and identity of sponsors which the division has approved respecting housing projects which involve mobile homes;

(3) The number and amounts of loans made to lending institutions for the making of new mortgage loans for mobile homes; and

(4) The number of mobile homes and mobile home parks and other similar developments financed pursuant to the provisions of this chapter, and the nature of that financing.

(b) Contain a summary of statistical data relative to:

(1) The incomes of households occupying mobile homes assisted by the division; and

(2) The monthly rentals charged to tenants of mobile home lots in mobile home parks assisted by the division.

(c) Describe the activities of the division in providing advice, technical information, training and educational services and in conducting research and promoting the development of housing as these activities pertain to mobile homes and mobile home parks and other similar developments.

5. The division shall cause an audit of its books and accounts to be made at least once in each fiscal year by a certified public accountant. The certified public accountant may audit the division's books and accounts for consecutive audit periods as requested by the division.

Sec. 2. The housing division shall submit recommendations to the legislature by January 1, 1983, relative to its ability to apply the types of assistance available under the Nevada Housing Finance Law to mobile homes and mobile home parks and other similar developments.

SUMMARY--Urges local housing authorities to pursue federal aid for certain owners of mobile homes. (BDR 19)

CONCURRENT RESOLUTION--Urging local housing authorities in Nevada to pursue federal aid for certain owners of mobile homes.

WHEREAS, The United States Housing Act at 42 U.S.C. § 1437f(j) provides for financial assistance to families of low income who live in their own mobile homes; and

WHEREAS, This assistance enables these families to pay the rent on the property on which their mobile homes are located; and

WHEREAS, The legislative commission's subcommittee to study the problems of owners and renters of mobile homes has found that this assistance is greatly needed in Nevada, but that there is insufficient money available for it, partly because of a current emphasis on other forms of rental assistance; and

WHEREAS, Local housing authorities in Nevada can affect the amount of money available for rental assistance to owners of mobile homes by the emphasis they give it in the administrative plans they submit to the Department of Housing and Urban Development; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE CONCURRING, That the Nevada legislature urges all local housing

authorities in this state to pursue vigorously the rental assistance available under the United States Housing Act (42 U.S.C. § 1437f(j)) to Nevada's families of low income who live in their own mobile homes; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to each local housing authority in this state.

SUMMARY--Urges Congress to provide more rental assistance to families of low income who rent property on which to place their mobile homes. (BDR 20)

JOINT RESOLUTION--Urging the Congress of the United States to provide more rental assistance to families of low income who rent property on which to place their mobile homes.

WHEREAS, The demand for real property on which to place mobile homes, especially spaces in mobile home parks, has grown with the increasing number of mobile homes purchased or rented by families of low and moderate income who cannot afford the high cost of conventional housing; and

WHEREAS, This demand has created an acute shortage of property developed to accommodate mobile homes and has consequently placed the rents charged for that property beyond the means of families of low income; and

WHEREAS, The financial assistance provided under the United States Housing Act (42 U.S.C. § 1437f(j)) to enable families of low income who live in their own mobile homes to pay the rent on the property on which the mobile home is located is greatly needed, particularly in Nevada, where the proposed development of the MX missile system is likely to increase the demand for mobile home lots; and

WHEREAS, Financial assistance to those families under the Housing Act is seriously limited because:

1. The amount of money available under the act for all forms of rental assistance is relatively low;

2. No special allocation of that money is made for the rental of property on which to place mobile homes so that much of the money goes to assist in the rental of other forms of housing; and

3. The limit set by the Department of Housing and Urban Development on the amount of rent which may be paid on a mobile home space under the program is unrealistically low as compared with the rents actually charged for those spaces; now, therefore be it

RESOLVED BY THE AND OF THE STATE OF NEVADA, JOINTLY, That the legislature urges the Congress of the United States to increase the amount of money available to the program of rental assistance to owners of mobile homes under 42 U.S.C. § 1437f(j) and allocate that money specifically to that program; and be it further

RESOLVED, That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States as presiding officer of the

Senate, to the Speaker of the House of Representatives, and to all members of the Nevada congressional delegation; and be it further

RESOLVED, That this resolution shall become effective upon passage and approval.

SUMMARY--Urges housing division of department of commerce to procure lands for development of mobile home parks for persons of low and moderate income. (BDR 21)

CONCURRENT RESOLUTION--Urging the housing division of the department of commerce to procure lands for the development of mobile home parks for persons of low and moderate income.

WHEREAS, The need for mobile home parks has become acute in Nevada because of its rapidly growing population of persons of low and moderate income who look to the mobile home as their only practical possibility for home ownership; and

WHEREAS, The construction of mobile home parks in Nevada has been discouraged by the increasingly high costs of development, particularly the cost of private land; and

WHEREAS, The Nevada legislature in 1979 enacted NRS 319.175 which authorizes the housing division of the department of commerce to acquire land from governmental agencies and to sell that land at its cost for the purpose of development of housing for persons of low or moderate income; and

WHEREAS, The legislative commission's subcommittee to study the problems of owners and renters of mobile homes has concluded that many of the serious problems related to the present acute shortage of mobile home lots could be alleviated by the development of additional mobile home parks; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE CONCURRING, That the Nevada legislature urges the housing division of the department of commerce to exercise vigorously its authority under NRS 319.175 to acquire land from governmental agencies and sell it at its cost for the purpose of developing mobile home parks for persons of low and moderate income; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the administrator of the housing division.

SUMMARY--Revises landlord and tenant relationships in mobile home parks. (BDR 10-22)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to landlords and tenants of mobile home parks; empowering cities and counties to regulate rents charged for mobile home lots within those parks; providing for exemplary damages in certain actions; regulating rules and practices of landlords; and providing other matters properly relating thereto.

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

Section 1. Chapter 118 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. The governing body of any city or county may provide by ordinance for the regulation of increases in the rents charged for mobile home lots within mobile home parks in that city or county if the governing body of the city or county determines that an emergency exists with regard to the rental of those lots. An emergency exists where the governing body finds that the percentage of vacancies among lots in mobile home parks in the city or county is 5 percent or less. An ordinance adopted pursuant to this section must be repealed when the governing body determines that the percentage of

vacancies among lots in mobile home parks has been more than 5 percent for the entire period of 6 months immediately preceding the date of the determination. In determining the percentage of vacancies, the governing body may not count as vacant any unoccupied mobile home lot which is rented to a mobile home dealer, installer or salesman.

2. If the governing bodies of a city and county both provide for the regulation of those rents, the ordinance adopted by the county does not apply to that city.

Sec. 3. In an action to enforce any right granted under NRS 118.230 to 118.340, inclusive, the prevailing party, in addition to his other damages, may recover exemplary damages not to exceed $500 for each willful violation of the provisions of those sections.

Sec. 4. NRS 118.230 is hereby amended to read as follows:

118.230 As used in NRS 118.230 to 118.340, inclusive [:] , and sections 2 and 3 of this act:

1. "Landlord" means the owner, lessor or operator of a mobile home park.

2. "Mobile home" means a vehicular structure without independe motive power, built on a chassis or frame, which is:

(a) Designed to be used with or without a permanent foundation;

(b) Capable of being drawn by a motor vehicle; and

(c) Used as and suitable for year-round occupancy as a residence, when connected to utilities, by one person who maintains a household or by two or more persons who maintain a common household.

3. "Mobile home lot" means a portion of land within a mobile home park which is rented or held out for rent to accommodate a mobile home.

4. "Mobile home park" or "park" means an area or tract of land where two or more mobile homes or mobile home lots are rented or held out for rent. "Mobile home park" does not include an area or tract of land where more than half of the lots are rented overnight or for less than 1 month.

Sec. 5. NRS 118.260 is hereby amended to read as follows:

118.260 1. The landlord may adopt rules or regulations concerning the tenant's use and occupancy of the mobile home lot and the grounds, areas and facilities of the mobile home park held out for the use of tenants generally.

2. All such rules or regulations must be:

(a) Reasonably related to the purpose for which they are adopted;

(b) Sufficiently explicit in their prohibition, direction or limitation to inform the tenant of what he must do or not do for compliance;

(c) Adopted in good faith and not for the purpose of evading any obligation of the landlord arising under the law;

(d) Consistent with a general plan of operation, construction or improvement, and must not arbitrarily restrict conduct or unreasonably require a change in any capital improvement made by the tenant and previously approved by the landlord; and

(e) Uniformly enforced against all tenants in the park, including the managers.

3. No rule or regulation may be used to impose any additional charge for occupancy of a mobile home lot.

4. Except as provided in subsection 5, a rule or regulation is enforceable against the tenant only if he has notice of it at the time he enters into the rental agreement. A rule or regulation adopted or amended after the tenant enters into the rental agreement is not enforceable unless the tenant consents to it or is given [60] 120 days' notice of it in writing.

5. A rule or regulation pertaining to recreational facilities in the mobile home park may be amended and enforced by the landlord without the tenant's consent if the tenant is given 10 days' written notice of the amendment.

6. The landlord may not adopt or enforce rules or regulations:

(a) Prohibiting a tenant from having a guest, except where the presence of the guest constitutes a nuisance; or

(b) Establishing areas for adults only in parks which allow children, unless the restriction is clearly posted in those areas.

7. The landlord may adopt any rules or regulations which are not inconsistent with the provisions of this chapter.

Sec. 6. NRS 118.270 is hereby amended to read as follows:

118.270 The landlord or his agent or employee shall not:

1. Require a person to purchase a mobile home from him or any other person as a condition to renting a mobile home lot to the purchaser.

2. Charge or receive:

(a) Any entrance or exit fee to a tenant assuming or leaving occupancy of a mobile home lot.

(b) Any transfer or selling fee or commission as a condition to permitting a tenant to sell his mobile home within the mobile home park even if the mobile home is to remain within the park, unless the landlord has acted as the mobile home owner's agent in the sale pursuant to a written contract.

(c) Any security or damage deposit the purpose of which is to avoid compliance with the provisions of subsection [5.] 6.

(d) Any fee for the tenant's spouse or children other than as provided in the lease.

(e) Any unreasonable fee for pets kept by a tenant in the park. If special facilities or services are provided, the

landlord may also charge a fee reasonably related to the cost of maintenance of the facility or service and the number of pets kept in the facility.

[2.] 3. Increase rent or service fees unless:

(a) The rental rates or the increase in service fees applies in a uniform manner to all tenants similarly situated or, if it is a service fee, to a given circumstance, except that a discount may be selectively given to persons who are handicapped or who are 62 years of age or older; and

(b) Written notice advising a tenant of the increase is sent to the tenant 60 days in advance of the first payment to be increased and written notice of the increase is given to prospective tenants on or before commencement of their tenancy.

[3.] 4. Deny any tenant the right to sell his mobile home within the park or require the tenant to remove the mobile home from the park solely on the basis of such sale, except as provided in NRS 118.280.

[4.] 5. Prohibit any tenant desiring to sell his mobile home within the park from advertising the location of the mobile home and the name of the mobile home park or prohibit the tenant from displaying at least one sign of reasonable size advertising the sale of the mobile home.

[5.] 6. Prohibit any meetings held in the park's community

or recreation facility by the tenants or occupants of any mobile home in the park to discuss mobile home living and affairs, or any tenant-sponsored political meeting, if such meetings are held at reasonable hours and when the facility is not otherwise in use.

[6.] 7. Interrupt, with the intent to terminate occupancy, any utility service furnished the tenant except for nonpayment of utility charges when due. Any landlord who violates this subsection is liable to the tenant for actual damages . [and $100 in exemplary damages for each day that the tenant is deprived of utility service.]

[7.] 8. Require that he be an agent of an owner of a mobile home who desires to sell the mobile home.

[8.] 9. Unless prohibited by a written lease or a general rule or regulation of the park if there is no written lease, unreasonably prohibit a tenant from subleasing his mobile home lot if the prospective subtenant meets the general requirements for tenancy in the park.

Sec. 7. NRS 118.335 is hereby amended to read as follows:

118.335 1. The governing body of each city and county may establish a board to mediate grievances between landlords and tenants of mobile home parks.

2. The board must include owners of mobile home parks,

tenants of mobile home parks , members representing respectively organizations of owners and organizations of tenants, if any, and members representing the general public.

3. The board shall:

(a) Attempt to adjust grievances between the landlords and tenants by means of mediation or negotiation.

(b) Recommend changes in local ordinances related to mobile homes and mobile home parks.

(c) Recommend measures to promote equity between tenant and landlord.

(d) Encourage the development of mobile home parks to meet the needs of the community.

4. In a city or county which regulates rents under an ordinance adopted pursuant to section 2 of this act, a board may not mediate grievances concerning increases in those rents except as it is permitted to do so by that ordinance.

Sec. 8. NRS 118.340 is hereby amended to read as follows:

118.340 1. Except as otherwise provided in subsection 2, any landlord who violates any of the provisions of NRS 118.241 to 118.310, inclusive, is guilty of a misdemeanor.

2. Any landlord who violates paragraph (a) of subsection [1] 2 of NRS 118.270:

(a) For the first offense, is guilty of a misdemeanor.

(b) For the second offense, is guilty of a gross misdemeanor.

(c) For the third or subsequent offense, shall be punished by imprisonment in the state prison for not less than 1 year nor more than 6 years, or by a fine of not more than $5,000, or by both fine and imprisonment.

SUMMARY--Provides for regulation of mobile home parks.
(BDR 40-23)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to real property; providing for the regulation of mobile home parks and for the enforcement of laws governing the relationship of landlord and tenant in those parks; providing a procedure for local assumption of responsibility for that regulation and enforcement; regulating the landlord's charges for utilities in mobile home parks; providing penalties; and providing other matters properly relating thereto.

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

Section 1. Title 40 is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 27, inclusive, of this act.

Sec. 2. As used in this chapter, unless the context otherwise requires, the terms defined in sections 3 to 10, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 3. "Administrator" means the chief of the manufactured housing division.

Sec. 4. "Agency for enforcement" or "agency" means the division or the city or county which has responsibility for the enforcement of the provisions of this chapter and the regulations adopted under it.

Sec. 5. "Division" means the manufactured housing division of the department of commerce.

Sec. 6. "Mobile home" means a vehicular structure which is:

1. Built on a permanent chassis;

2. Designed to be used with or without a permanent foundation as a dwelling when connected to utilities;

3. Transportable in one or more sections; and

4. More than 8 feet in body width and more than 32 feet in body length. Neither the width nor the length includes bay windows, porches, drawbars, couplings, hitches, wall or roof extensions or other attachments.

The term does not include a recreational vehicle.

Sec. 7. "Mobile home lot" or "lot" means a portion of land within a mobile home park which is rented or held out for rent to accommodate:

1. A mobile home; or

2. A recreational vehicle for a period of 1 month or more.

Sec. 8. "Mobile home park" or "park" means an area or tract of land where two or more mobile homes or mobile home lots are rented or held out for rent.

Sec. 9. "Owner" includes the lessor or operator of a mobile home park.

Sec. 10. "Recreational vehicle" means a vehicular structure

primarily designed as temporary living quarters for travel, recreational or camping use, which may be self-propelled or mounted upon, or drawn by, a motor vehicle.

Sec. 11. Except as provided in section 15 of this act, the provisions of this chapter shall be administered by the division, subject to administrative supervision by the director of the department of commerce.

Sec. 12. No officer or employee of the division may own any interest in a mobile home park.

Sec. 13. 1. In order to carry out the provisions of this chapter, the administrator may:

(a) Issue subpenas for the attendance of witnesses or the production of books, papers and documents;

(b) Conduct hearings; and

(c) Administer oaths.

2. The administrator may make inspections, approve or disapprove plans and specifications of proposed construction or alteration, provide technical services, and adopt regulations necessary to carry out his duties under this chapter.

3. The administrator or his representative may enter, at reasonable times and without notice, any mobile home park and inspect at reasonable times in a reasonable manner the premises and books, papers, records and documents which are relevant to

the construction, alteration, maintenance, use and occupancy of the park. A magistrate shall issue a warrant to permit an inspection if the administrator has shown:

(a) Evidence that a violation of a provision of this chapter or a regulation adopted under it has been committed or is being committed; or

(b) That the park has been chosen for an inspection on the basis of a general administrative plan for the enforcement of the provisions of this chapter and the regulations adopted under it.

Sec. 14. 1. The administrator shall adopt regulations to govern the construction, alteration, maintenance, use and occupancy of mobile home parks and lots within those parks.

2. The regulations must establish standards and requirements which the administrator determines are necessary to protect the health, safety and general welfare of the residents of the parks.

3. The regulations must without limitation pertain to:

(a) The construction and maintenance of roadways, driveways, walkways and permanent buildings;

(b) Plumbing and the supply of water;

(c) The disposal of refuse and sewage;

(d) Public toilets, showers and laundry facilities;

(e) Electrical wiring, fixtures and equipment;

(f) Gas equipment and installations;

(g) The prevention of fire and the protection of life and property against fire; and

(h) The control of animals,

within a mobile home park. A regulation pertaining to one of these subjects must be applicable in all mobile home parks except a park which is located within a city or county which is the agency for enforcement and has adopted and is enforcing a code on that subject imposing restrictions equal to or more restrictive than the restrictions imposed by the regulations of the administrator.

Sec. 15. 1. Any city or county may, upon 30 days' written notice to the division and with its approval, assume responsibility within its jurisdiction for the enforcement of this chapter and the regulations adopted under it.

2. The division shall adopt regulations which set forth the conditions for its approval, including any qualifications which local agencies must meet. The conditions set forth and the qualifications required in the regulations must relate solely to the ability of those agencies to enforce properly this chapter and the regulations adopted under it. The regulations may not set standards for local agencies different from those

which the division maintains for its own program of enforcement.

3. When approval is granted, the division shall transfer the responsibility for enforcement to the city or county, together with all records of mobile home parks within the jurisdiction of the city or county, and the city or county has the powers granted to the administrator under section 13 of this act. The jurisdiction of the county does not include the area within any city which has assumed that responsibility.

4. When the division determines that a city or county which has assumed responsibility for enforcement under this section is not discharging its responsibility properly, the division shall send a written notice to the governing body of the city or county specifying in what respects the city or county has failed to discharge its responsibility. If the city or county fails to initiate corrective measures within 30 days after the date of that notice, the division shall assume responsibility for enforcement and the city or county shall forthwith transfer to the division all records of mobile home parks within its jurisdiction which the division may require. The city or county is entitled to appeal the determination of the division to the director of the department of commerce.

5. Any city or county which has assumed responsibility for

enforcement under this section may relinquish that responsibility upon 30 days' written notice to the division. The division shall assume responsibility for enforcement within 30 days after receipt of the notice and the city or county shall forthwith transfer to the division all pertinent records which the division may require.

Sec. 16. 1. The district court for the county in which any investigation or hearing is being conducted by the agency for enforcement pursuant to the provisions of this chapter may compel the attendance of witnesses, the giving of testimony and the production of books and papers as required by any subpena issued by the agency.

2. If any witness refuses to attend or testify or produce any papers required by a subpena the agency may report to the district court for the county in which the investigation or hearing is pending by petition, setting forth:

(a) That due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) That the witness has been subpenaed in the manner prescribed in this chapter;

(c) That the witness has failed and refused to attend or produce the papers required by subpena before the agency in the

investigation or hearing named in the subpena, or has refused to answer questions propounded to him in the course of the investigation or hearing,

and asking an order of the court compelling the witness to attend and testify or produce the books or papers before the agency.

3. The court, upon petition of the agency, shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, not more than 10 days from the date of the order, and show cause why he has not attended or testified or produced the books or papers before the agency. A certified copy of the order must be served upon the witness. If it appears to the court that the subpena was regularly issued by the agency, the court shall thereupon enter an order that the witness appear before the agency at the time and place fixed in the order and testify or produce the required books or papers, and upon failure to obey the order the witness must be dealt with as if in contempt of court.

Sec. 17. All state or local regulations pertaining to the construction, alteration, maintenance, use and occupancy of mobile home parks and lots within those parks remain in effect until such time as they are revised by the administrator pursuant to the provisions of this chapter.

Sec. 18. 1. No person may:

(a) Construct a mobile home park;

(b) Construct additional lots, roads, buildings or other facilities or alter lots, roads, buildings or other facilities in a mobile home park; or

(c) Operate a mobile home park or any portion of it,

unless he has obtained a permit from the agency for enforcement.

2. The agency for enforcement shall adopt regulations governing the issuance of these permits.

3. The agency for enforcement shall charge and collect for its own account reasonable fees for these permits. The agency shall by regulation fix the amount of the fees which may not exceed the cost of enforcing this chapter and the regulations adopted under it.

Sec. 19. A permit to operate a mobile home park may not be issued for:

1. A newly constructed park unless the construction is found to be in substantial compliance with all applicable statutes, ordinances and regulations.

2. Any park whose previous permit to operate has been revoked until the violations which were the basis for the revocation have been corrected.

Sec. 20. Except as provided in this section, if the construction

or alteration for which a permit is obtained under this chapter is not completed within 6 months from the date the permit is issued, the permit automatically expires at the end of the 6-month period. The agency for enforcement may extend the expiration date of a permit for construction or alteration for a reasonable time.

Sec. 21. Each person who holds a permit to operate a mobile home park must renew it annually in accordance with regulations adopted by the agency for enforcement. These regulations must also provide for a reasonable renewal fee.

Sec. 22. 1. The new owner of a mobile home park shall notify the agency for enforcement of any change in the name, ownership or possession of the park within 30 days of the change. The notice must be accompanied by any appropriate fees set by the agency by regulation. Upon receipt of the notice and fees, the agency for enforcement shall record the change of name, ownership or possession and shall issue an amended permit to operate if the owner is otherwise entitled to it.

2. No additional fee for a permit for construction or alteration may be charged where a change in name, ownership or possession occurs before completion of the construction or alteration and the new owner completes that construction or alteration in accordance with the plans and specifications already approved for the previous owner by the agency for enforcement.

Sec. 23. 1. All fees which the division collects under this chapter must be deposited in the state treasury for credit to the fund for regulating mobile home parks which is hereby created as a special revenue fund. All expenses of the enforcement of this chapter and NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, must be paid from the fund. The fund may not be used for any purpose except the payment of those expenses.

2. Claims against the fund must be paid as other claims against the state are paid.

Sec. 24. Every mobile home park must provide for each individual lot in the park:

1. Electric and gas service direct from the utility; or

2. Individual meters for electric and gas services.

Sec. 25. 1. Whenever the agency for enforcement finds any unsanitary or unsafe condition in a mobile home park or any violation of any provision of this chapter or the regulations adopted under it, the agency may:

(a) Remove or abate the unsanitary or unsafe condition as a nuisance and take any other necessary measures to protect persons and property from the condition.

(b) Issue a notice of violation to the appropriate person, citing the condition or violation and specifying the corrective

action to be taken and the time within which that action must be taken.

2. Any person against whom an action is taken under subsection 1 is entitled to notice and a hearing before the agency for enforcement in accordance with regulations of the agency. The agency may affirm, reverse or modify its action. The agency may extend the time allowed for corrective action if the person provides a written response within 10 days after receiving the notice of violation setting forth the nature and time needed for corrective action. The agency may require such periodic reports as may be necessary to demonstrate reasonable progress toward full compliance.

3. If a person fails to comply with a notice of violation or any other order of the agency for enforcement after notice and hearing, the agency may:

(a) Deny or revoke any permit issued under this chapter.

(b) Apply for injunctive and such other relief as a court of competent jurisdiction may grant to compel compliance.

(c) Report for criminal prosecution any violation of the provisions of this chapter or any regulations adopted under it to the district attorney of the county in which the mobile home park is located.

4. The owner of a mobile home park is liable for:

(a) The cost of any action taken under paragraph (a) of subsection 1 if he intentionally or negligently created or permitted the unsanitary or unsafe condition; and

(b) The cost of moving a tenant's mobile home to a new location no more than 10 miles distant if the move is necessitated by a revocation of his permit to operate the mobile home park.

These costs may be collected by the agency for enforcement or the tenant, respectively, by appropriate action in any court of competent jurisdiction in the county in which the defendant has his principal place of business or in which the mobile home park is located.

Sec. 26. 1. Any holder of a permit under this chapter who violates any of the provisions of this chapter or any regulation adopted or order issued under it is liable to the state, county or city, as the case may be, for a civil penalty of not more than $1,000 for each violation. Each violation of this chapter or any regulation or order issued under it constitutes a separate violation with respect to each mobile home lot in the park affected by the violation and with respect to each failure or refusal to allow or perform an act required by this chapter or regulation or order, except that the maximum civil penalty is $1,000,000 for any related series of violations occurring within 1 year after the first violation.

2. Before the adoption of any regulation for whose violation a civil penalty may be imposed, the agency for enforcement shall give at least 30 days' written notice to the owner of every mobile home park affected by it and to every other interested party who has requested the notice.

3. An action to enforce a civil penalty must be brought in a court of competent jurisdiction in the county in which the defendant has his principal place of business.

4. All money collected as civil penalties pursuant to the provisions of this chapter must be deposited in the state general fund or the general fund of the county or city, as the case may be.

Sec. 27. Any person who knowingly or willfully violates any of the provisions of this chapter is guilty of a misdemeanor.

Sec. 28. Chapter 118 of NRS is hereby amended by adding thereto the provisions set forth as sections 29 to 45, inclusive, of this act.

Sec. 29. As used in NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, unless the context otherwise requires, the terms defined in sections 30 to 36, inclusive, of this act, have the meanings ascribed to them in those sections.

Sec. 30. "Administrator" means the chief of the manufactured housing division.

Sec. 31. "Agency for enforcement" or "agency" means the division or the city or county which has responsibility for the enforcement of the provisions of NRS 118.235 to 118.340, inclusive, sections 29 to 45, inclusive, of this act, and the regulations adopted under those sections.

Sec. 32. "Division" means the manufactured housing division of the department of commerce.

Sec. 33. "Landlord" means the owner, lessor or operator of a mobile home park.

Sec. 34. "Mobile home" means a vehicular structure without independent motive power, built on a chassis or frame, which is:

1. Designed to be used with or without a permanent foundation;

2. Capable of being drawn by a motor vehicle; and

3. Used as and suitable for year-round occupancy as a residence, when connected to utilities, by one person who maintains a household or by two or more persons who maintain a common household.

Sec. 35. "Mobile home lot" means a portion of land within a mobile home park which is rented or held out for rent to accommodate a mobile home.

Sec. 36. "Mobile home park" or "park" means an area or tract

of land where two or more mobile homes or mobile home lots are rented or held out for rent. "Mobile home park" does not include an area or tract of land where more than half of the lots are rented overnight or for less than 1 month.

Sec. 37. Except as provided in section 40 of this act, the provisions of NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, shall be administered by the division, subject to administrative supervision by the director of the department of commerce.

Sec. 38. 1. In order to carry out his duties under NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, the administrator may:

(a) Issue subpenas for the attendance of witnesses or the production of books, papers and documents;

(b) Conduct hearings; and

(c) Administer oaths.

2. The administrator or his representative may enter, at reasonable times and without notice, any mobile home park and inspect at reasonable times in a reasonable manner the premises and books, papers, records and documents which are relevant to matters concerning the relationship of landlord and tenant. A magistrate shall issue a warrant to permit an inspection if the administrator has shown:

(a) Evidence that a violation of a provision of NRS 118.235 to 118.340, inclusive, sections 29 to 45, inclusive, of this act, or any regulation adopted under those sections, has been committed or is being committed; or

(b) That the park has been chosen for an inspection on the basis of a general administrative plan for the enforcement of the provisions of NRS 118.235 to 118.340, inclusive, sections 29 to 45, inclusive, of this act and any regulation adopted under those sections.

Sec. 39. The administrator shall adopt regulations necessary to administer the provisions of NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act.

Sec. 40. 1. Any city or county may, upon 30 days' written notice to the division and with its approval, assume responsibility within its jurisdiction for the enforcement of NRS 118.235 to 118.340, inclusive, sections 29 to 45, inclusive, of this act, and the regulations adopted under those sections.

2. The division shall adopt regulations which set forth the conditions for its approval, including any qualifications which local agencies must meet. The conditions set forth and the qualifications required in the regulations must relate solely to the ability of those agencies to enforce properly NRS 118.-235 to 118.340, inclusive, sections 29 to 45, inclusive, of

this act and the regulations adopted under those sections. The regulations may not set standards for local agencies different from those which the division maintains for its own program of enforcement.

3. When approval is granted, the division shall transfer the responsibility for enforcement to the city or county, together with all pertinent records and the city or county has the powers granted to the administrator under section 38 of this act. The jurisdiction of the county does not include the area within any city which has assumed that responsibility.

4. When the division determines that a city or county which has assumed responsibility for enforcement under this section is not discharging its responsibility properly, the division shall send a written notice to the governing body of the city or county specifying in what respects the city or county has failed to discharge its responsibility. If the city or county fails to initiate corrective measures within 30 days after the date of that notice, the division shall assume responsibility for enforcement and the city or county shall forthwith transfer to the division all pertinent records which the division may require. The city or county is entitled to appeal the determination of the division to the director of the department of commerce.

5. Any city or county which has assumed responsibility for enforcement under this section may relinquish that responsibility upon 30 days' written notice to the division. The division shall assume responsibility for enforcement within 30 days after receipt of the notice and the city or county shall forthwith transfer to the division all pertinent records which the division may require.

Sec. 41. 1. The district court for the county in which any investigation or hearing is being conducted by the agency for enforcement pursuant to the provisions of NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, may compel the attendance of witnesses, the giving of testimony and the production of books and papers as required by any subpena issued by the agency.

2. If any witness refuses to attend or testify or produce any papers required by a subpena the agency may report to the district court for the county in which the investigation or hearing is pending by petition, setting forth:

(a) That due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) That the witness has been subpenaed in the manner prescribed in NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act;

(c) That the witness has failed and refused to attend or produce the papers required by subpena before the agency in the investigation or hearing named in the subpena, or has refused to answer questions propounded to him in the course of the investigation or hearing,

and asking an order of the court compelling the witness to attend and testify or produce the books or papers before the agency.

3. The court, upon petition of the agency, shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, not more than 10 days from the date of the order, and show cause why he has not attended or testified or produced the books or papers before the agency. A certified copy of the order must be served upon the witness. If it appears to the court that the subpena was regularly issued by the agency, the court shall thereupon enter an order that the witness appear before the agency at the time and place fixed in the order and testify or produce the required books or papers, and upon failure to obey the order the witness must be dealt with as if in contempt of court.

Sec. 42. 1. The landlord of any mobile home park which is not equipped with individual meters for each lot who charges the tenants for utilities either separately or by including the

charge in their rent, shall prorate the cost of all utilities equally among the occupied lots in the park.

2. In no case may the charges prorated pursuant to this section exceed in the aggregate the cost of the utility to the landlord.

3. If the utility charges are included in the tenant's rent, the landlord shall itemize the gas rate on the rent bill and give the tenant 60 days' written notice of an increase in gas rates.

Sec. 43. 1. In any mobile home park which is equipped with individual meters for each lot and where the landlord receives the utility bill and charges the tenants for utilities, the charge for each tenant may not be at a rate higher than the rate the tenant would be charged if he were receiving service directly from the utility.

2. The tenant of a lot in a park described in subsection 1 who believes the landlord has charged him for utilities at a rate higher than the rate the tenant would be charged if he were receiving the service directly from the utility may complain to the division of consumer relations of the public service commission of Nevada. The division shall receive and promptly investigate the complaint. If the division is unable to resolve the complaint, the division shall transmit the

complaint and its recommendation to the public service commissior of Nevada. The commission shall investigate, give notice and hold hearings upon the complaint, applying to the extent practicable the procedures provided for complaints against public utilities in chapter 703 of NRS.

3. If the commission finds that the owner of the mobile home park has violated the provisions of subsection 1, it shall determine the amount of the overcharge to the tenant and order the landlord to return that amount to the tenant within a specified time. If the landlord fails or refuses to do so, the commission:

(a) May compel compliance with its order by any appropriate civil remedy available to it under chapter 704 of NRS.

(b) Shall order the landlord to cease and desist from any further violation of subsection 1 and shall enforce that order as any other order of the commission.

4. The owner of a mobile home park described in subsection 1 shall retain for at least 3 years a copy of all billings for utilities made to his tenants. The owner shall make these records available upon request to the public service commission of Nevada for verification of utility charges made to tenants.

Sec. 44. 1. The owner of a mobile home park:

(a) Which is equipped with individual electric or gas utility meters for each lot; and

(b) Where the owner receives the utility bill and charges the tenants for utilities,

shall make arrangements to test the accuracy of those meters with persons qualified to conduct the tests.

2. The tenant of a lot within the park may request the owner to test the meter used to measure the tenant's use of electric or gas service. The owner shall have the meter tested within 2 weeks after the tenant makes the request and pays to the owner a fee of $10. The owner shall return the fee to the tenant within 1 week after the test is completed if the meter is found to register fast by more than 1 percent, in the case of an electric meter, or 2 percent, in the case of a gas meter.

Sec. 45. The agency for enforcement may, after notice and hearing, revoke the permit to operate a mobile home park issued to the landlord under sections 2 to 27, inclusive, of this act, for any violation of NRS 118.235 to 118.340, inclusive, sections 29 to 45, inclusive, of this act, or the regulations adopted under those sections.

Sec. 46. NRS 118.235 is hereby amended to read as follows:

118.235 The provisions of NRS [118.230] 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, do not apply to mobile home parks operated by public housing authorities and established pursuant to the United States Housing Act of 1937, as amended (now 42 U.S.C. §§ 1437 et seq.).

Sec. 47. NRS 118.245 is hereby amended to read as follows:

118.245 The landlord shall provide each tenant with the text of the provisions of NRS [118.230] 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, in the rental agreement and in a notice posted in a conspicuous place in the park's community or recreation facility or other common area.

Sec. 48. NRS 118.330 is hereby amended to read as follows:

118.330 The landlord and the tenant may agree that any controversy relating to any matter arising under NRS [118.230] 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act, or under a rental agreement may be submitted for arbitration.

Sec. 49. NRS 118.340 is hereby amended to read as follows:

118.340 1. Except as otherwise provided in subsection 2, any landlord who violates any of the provisions of NRS 118.241 to 118.310, inclusive, sections 42 to 44, inclusive, of this act, or any regulation adopted under those sections, is guilty of a misdemeanor. Each day of violation constitutes a separate offense.

2. Any landlord who violates paragraph (a) of subsection 1 of NRS 118.270:

(a) For the first offense, is guilty of a misdemeanor.

(b) For the second offense, is guilty of a gross misdemeanor.

(c) For the third or subsequent offense, shall be punished by imprisonment in the state prison for not less than 1 year nor more than 6 years, or by a fine of not more than $5,000, or by both fine and imprisonment.

Sec. 50. NRS 118A.180 is hereby amended to read as follows:

118A.180 1. Except as provided in subsection 2, this chapter applies to, regulates and determines rights, obligations and remedies under a rental agreement, wherever made, for a dwelling unit or premises located within this state.

2. This chapter does not apply to:

(a) A rental agreement subject to the provisions of NRS [118.230] 118.235 to 118.340, inclusive [.] , and sections 29 to 45, inclusive, of this act.

(b) Low-rent housing programs operated by public housing authorities and established pursuant to the United States Housing Act of 1937, as amended (42 U.S.C. 1401 et seq.).

(c) A person who owns less than seven dwelling units, except with respect to the provisions of NRS 118A.200, 118A.300, 118A.340, 118A.450 and 118A.460.

(d) Residence in an institution, public or private, incidental to detention or the provisions of medical, geriatric, educational, counseling, religious or similar service.

(e) Occupancy under a contract of sale of a dwelling unit or

the property of which it is a part, if the occupant is the purchaser or a person who succeeds to the purchaser's interest.

(f) Occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of the organization.

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

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

(i) Occupancy by an owner of a condominium unit or by a holder of a proprietary lease in a cooperative apartment.

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

Sec. 51. Chapter 439 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. This section applies to mobile home parks which are governed by the provisions of NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act.

2. The health authority shall inspect every mobile home park within its jurisdiction for compliance with all applicable laws pertaining to public health and sanitation:

(a) At least once every year; and

(b) At any time at the request of the manufactured housing division of the department of commerce or any agency for enforcement approved by the division under section 15 of this act.

3. The health authority may inspect any rented mobile home upon the written request of the tenant.

4. When the health authority conducts an inspection of a mobile home park or a rented mobile home, it shall file a report with the agency for enforcement stating the reason for the inspection, whether any violations were found and the nature and disposition of those violations. A copy of the report must also be sent to the manufactured housing division if the division is not the agency for enforcement within the jurisdiction.

Sec. 52. Chapter 489 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. The district court for the county in which any investigation or hearing is being conducted by the division pursuant to the provisions of this chapter may compel the attendance of witnesses, the giving of testimony and the production of books and papers as required by any subpena issued by the division.

2. If any witness refuses to attend or testify or produce any papers required by a subpena the division may report to the

district court for the county in which the investigation or hearing is pending by petition, setting forth:

(a) That due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) That the witness has been subpenaed in the manner prescribed in this chapter;

(c) That the witness has failed and refused to attend or produce the papers required by subpena before the division in the investigation or hearing named in the subpena, or has refused to answer questions propounded to him in the course of the investigation or hearing,

and asking an order of the court compelling the witness to attend and testify or produce the books or papers before the division.

3. The court, upon petition of the division, shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, not more than 10 days from the date of the order, and show cause why he has not attended or testified or produced the books or papers before the division. A certified copy of the order must be served upon the witness. If it appears to the court that the subpena was regularly issued by the division, the court shall

thereupon enter an order that the witness appear before the division at the time and place fixed in the order and testify or produce the required books or papers, and upon failure to obey the order the witness must be dealt with as if in contempt of court.

Sec. 53. Chapter 704 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. This section applies to mobile home parks governed by the provisions of NRS 118.235 to 118.340, inclusive, and sections 29 to 45, inclusive, of this act.

2. The commission shall examine and test the electric and gas distribution lines and equipment within a mobile home park at least once each year and at any time at the request of the manufactured housing division of the department of commerce or an agency for enforcement approved by the division under section 15 of this act. The commission may enter upon the premises of a mobile home park at reasonable times to examine and test the lines and equipment whether or not they are owned by a public utility. The commission shall conduct the examination and testing to determine whether any line or equipment is unsafe for service under the safety standards set by its regulations on maintenance, use and operation of electric and gas distribution lines and equipment.

3. Any agency of local government which the commission determines can properly carry out the duties prescribed by subsection 2 shall, at the request of the commission, conduct the examination and tests in mobile home parks within its jurisdiction and report its findings to the commission.

4. If the owner or operator of a mobile home park refuses to allow the examination and testing to be made as provided in subsection 2, the commission shall deem the unexamined lines and equipment to be unsafe for service.

5. Whenever the commission deems or finds any lines or equipment within a mobile home park to be unsafe for service it shall take appropriate action to protect the safety of the residents of the park.

Sec. 54. NRS 118.230 is hereby repealed.

Sec. 55. 1. Upon submission of a proper application and the appropriate fee, a permit to operate a mobile home park must be issued for a mobile home park which on July 1, 1981, was in operation and in substantial compliance with all applicable state and local law relating to the construction, alteration, maintenance, use and occupancy of mobile home parks in effect on that date.

2. Any construction or alteration commenced in any mobile home park in this state on or after July 1, 1981, must conform to applicable regulations adopted under section 14 of this act.

3. All mobile home parks in operation on July 1, 1981, must comply with all regulations which pertain to the health and safety of residents of mobile home parks, except to the extent compliance is waived by the agency for enforcement with respect to roadways, buildings and other facilities in existence on July 1, 1981. A waiver may be granted under this subsection only where the agency determines that the burden imposed upon the owner by compliance substantially outweighs any benefits to the health and safety of the park's residents.

Sec. 56. Section 24 of this act shall become effective on July 1, 1985.

SUMMARY--Urges district attorneys of Nevada's more populous counties to acquire staff necessary to prosecute properly crimes involving mobile homes. (BDR 25)

CONCURRENT RESOLUTION--Urging the district attorneys of Nevada's more populous counties to acquire the staff necessary to investigate and prosecute properly crimes involving mobile homes.

WHEREAS, It is the responsibility of all district attorneys in this state to prosecute criminal offenses relating to the construction, sale, installation and servicing of mobile homes and to the relationship of landlord and tenant in mobile home parks; and

WHEREAS, The legislative commission's subcommittee to study the problems of owners and renters of mobile homes has been told of a disturbing number of serious cases of fraud, forgery and deceptive trade practices in the sale of mobile homes and accessories and of persistent violations of law by certain landlords of mobile home parks; and

WHEREAS, The offices of the district attorneys of Nevada's three most populous counties where most of these offenses occur have advised the subcommittee that they lack the staff to investigate and prosecute properly such criminal offenses; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE CONCURRING, That the Nevada legislature urges the district attorneys of Carson City and Clark and Washoe counties to acquire the staff necessary to investigate and prosecute properly alleged criminal offenses involving:

1. The construction, sale, installation and servicing of mobile homes and mobile home accessories; and

2. The relationship of landlord and tenant in mobile home parks; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the district attorneys of Carson City and Clark and Washoe counties.

SUMMARY--Sets certain restrictions and requirements on the prepayment of certain loan and retail installment contracts. (BDR 8-26)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the relations of debtor and creditor; prohibiting the addition of precomputed interest or finance charges to the initial principal or balance of certain loan and retail installment contracts involving the purchase of mobile homes; providing a right to prepay those contracts in full and a rebate of unearned interest or finance charge; revising the method for computing that rebate; and providing other matters properly relating thereto.

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

Section 1. Chapter 100 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this act.

Sec. 2. The provisions of sections 2 to 12, inclusive, of this act, apply to loan contracts and retail installment contracts entered into by a natural person primarily for the purpose of buying a mobile home which does not constitute real property. For the purposes of this section the lender or retail seller may conclusively rely on any written statement of intended purpose signed by the borrower or buyer. The written statement

may be a separate statement or may be contained in a loan or credit application or other document signed by the borrower or buyer, as the case may be.

Sec. 3. As used in sections 2 to 12, inclusive, of this act, unless the context otherwise requires, the terms defined in sections 4 to 10, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 4. "Actuarial method" means the method of allocating payments made on a debt between principal and interest or time price differential pursuant to which a payment is applied first to the accumulated interest or time price differential and any remainder is subtracted from, or deficiency is added to, the unpaid balance of the amount financed.

Sec. 5. "Amount of cash advance" means the amount of cash or its equivalent actually received by a borrower or paid out at his direction or on his behalf.

Sec. 6. "Initial balance" means the cash sales price of the mobile home which is the subject matter of a retail installment contract less the amount of the buyer's down payment in money or goods, or both, plus the amount, if any, separately identified in the contract for insurance and official fees.

Sec. 7. "Mobile home" means a vehicular structure which is:

1. Built on a permanent chassis;

2. Designed to be used with or without a permanent foundation as a dwelling when connected to utilities;

3. Transportable in one or more sections; and

4. More than 8 feet in body width and more than 32 feet in body length. Neither the width nor the length includes bay windows, porches, drawbars, couplings, hitches, wall or roof extensions or other attachments.

The term does not include a vehicular structure primarily designed as temporary living quarters for travel, recreational or camping use, which may be self-propelled or mounted upon, or drawn by, a motor vehicle.

Sec. 8. "Prepayment" includes a payment of a loan contract or a retail installment contract in full before the final installment or due date because of:

1. A refinancing or consolidation of the indebtedness evidenced by the contract; or

2. An acceleration of the obligation to repay that indebtedness for any reason.

Sec. 9. "Retail installment contract" means a contract defined in NRS 97.105.

Sec. 10. "Time price differential," however denominated or expressed, means the amount which is paid or payable for the privilege of purchasing goods or services to be paid for by

the buyer in installments over a period of time. It does not include the amount, if any, charged for insurance premiums, delinquency charges, attorney's fees, court costs or official fees.

Sec. 11. 1. In the case of a loan contract, a charge for interest computed when the loan is made must not be added to the face amount of the loan or subtracted from the cash advance.

2. In the case of a retail installment contract, a time price differential computed when the contract is made must not be added to the initial balance.

Sec. 12. 1. Notwithstanding any provision of the contract to the contrary, if the rights of the borrower or buyer have not been terminated or forfeited under the terms of the contract, the borrower or buyer respectively under any loan contract or retail installment contract may prepay the contract in full at any time before the final installment or due date. If he does so, the borrower or buyer, as the case may be, is entitled to receive a refund, in cash or a credit, of any unearned portion of the interest or time price differential. Any such refund must be equal to the total charge for interest or the total amount of the time price differential minus the earned portion of the interest charge or time price differential.

2. The earned portion of the interest charge or time price

differential must be calculated by applying the annual percentage rate, disclosed to the borrower or buyer at the time the contract is made, according to the actuarial method to the actual unpaid balances of the amount of cash advance or the initial balance for the actual time the balances were unpaid up to the date of prepayment. If a deferral charge was collected, it must be refunded pro rata to the extent unearned.

3. No refund of less than $1 need be made.

4. The tender by the borrower or buyer, or at his request, of an amount equal to the unpaid balance of the amount of cash advance or the initial balance less any required refund must be accepted by the lender or the retail seller, or his assigns, as the case may be, in full payment of the contract.

Sec. 13. NRS 97.225 is hereby amended to read as follows:

97.225 1. Notwithstanding the provisions of any retail installment contract to the contrary, [and] if the rights of the purchaser have not been terminated or forfeited under the terms of the contract, any buyer may prepay in full the unpaid time balance thereof at any time before its final due date and, if he does so, and if the contract is not in default under any term or condition of the contract more than 2 months, he [shall] is entitled to receive a refund credit of the unearned portion of the time price differential for such prepayment. The amount

of such refund credit [shall] must represent at least as great a proportion of the original time price differential, after deducting therefrom a minimum charge of not to exceed $25, as the sum of the monthly or lesser periodic time balances beginning 1 month or lesser period after prepayment is made bears to the sum of all the monthly or lesser periodic time balances under the schedule of payments in the contract. Where the amount of such refund credit is less than $1, no refund need be made.

2. The provisions of this section do not apply to a retail installment contract governed by sections 2 to 12, inclusive, of this act.

Sec. 14. NRS 662.165 is hereby amended to read as follows:

662.165 [Any] Except as provided in section 11 of this act, any bank organized under the laws of [the State of Nevada] this state and any national bank doing business in [the State of Nevada] this state may charge a rate of add-on interest amounting to 8 percent on loans which do not exceed $500 and a rate of add-on interest of 7 percent on loans exceeding $500 but not exceeding $1,500.

Sec. 15. Chapter 675 of NRS is hereby amended by adding thereto the provisions set forth as sections 16 to 24, inclusive, of this act.

Sec. 16. 1. Except as provided in subsection 3, every licensee may make loans of any amount with cash advance not exceeding $10,000, repayable except as otherwise provided in section 17 of this act, in substantially equal consecutive monthly installments of principal and interest combined, and may charge, contract for, collect and receive interest at a rate not exceeding the equivalent of the greater of the following:

(a) The total of:

(1) Thirty-six percent per year on that part of the unpaid balance of the amount of cash advanced which is $300 or less;

(2) Twenty-one percent per year on that part of the unpaid balance of the amount of cash advanced which exceeds $300 but does not exceed $1,000; and

(3) Fifteen percent per year on that part of the unpaid balance of the amount of cash advanced which exceeds $1,000.

(b) Eighteen percent per year on the unpaid balance of the amount of cash advanced.

2. The charge for interest must be calculated according to the actuarial method, which is the method of allocating payments between principal and interest pursuant to which a payment is applied first to the accumulated interest and the balance, if any, is applied to the unpaid principal. Except as provided in sections 2 to 12, inclusive, of this act:

(a) A licensee may, at the time the loan is made, precompute the charge for interest at the agreed-upon rate on the scheduled unpaid principal balances according to the terms of the contract and add that interest to the principal of the loan. Where the charge for interest is precomputed the face amount of any note or contract may exceed $10,000 by the amount of charges authorized by this chapter added to principal. If the charge for interest is precomputed, payments on account may be applied to the combined total of principal and precomputed interest until the contract is fully paid. All payments on account, except those applied to default or deferment charges, must be applied to the installments in the order in which they fall due.

(b) The effect of prepayment of a precomputed loan is governed by the provisions of this chapter relating to refund upon prepayment in full.

3. On loans secured by mobile homes or factory-built housing which constitute real estate or real property as defined by NRS 361.035 the charge for interest may not exceed 18 percent on the unpaid balance of the amount of cash advanced.

Sec. 17. Except as provided in section 12 of this act, when a loan contract is for more or less than 1 year, the interest must be computed at one-twelfth the annual rate for each month. For the purpose of computing charges, whether at the maximum

rate or less, a month is that period of time from any date in a calendar month to the corresponding date in the following calendar month, but if there is no corresponding date, then to the last day of the following month. A day is one-thirtieth of a month when computation is made for a fraction of a month.

Sec. 18. A borrower and licensee may agree that the due date of the first installment may be not more than 15 days more than 1 month from the date of the loan and the amount of the first installment may be increased by one-thirtieth of the portion of the interest authorized by section 16 of this act which would be attributable to a first installment of 1 month for each extra day.

Sec. 19. In addition to the charge allowed in section 16 of this act, if there is a default of more than 7 days in the payment of one-half or more of any scheduled installment on a precomputed loan contract, the licensee may charge and collect a default charge not exceeding an amount equal to the refund that would be required if the loan were prepaid in full 1 month before maturity. The charge may not be collected more than once for the same default and may be collected at the time of the default or at any time thereafter. If the default charge is deducted from any payment received after default occurs and the deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

Sec. 20. 1. In addition to the charge allowed in section 16 of this act, if, as of an installment due date, the payment dates of all wholly unpaid installments on a precomputed loan contract, on which no default charge has been collected, are deferred one or more full months and the maturity of the contract is extended for a corresponding period, the licensee may charge and collect a deferment charge which may not exceed the difference between the refund that would be required for prepayment in full as of the scheduled due date of the first deferred installment and the amount which would be required for prepayment in full as of 1 month before that date multiplied by the number of months in the deferment period. The deferment period is that period of time in which no payment is made or required by reason of the deferment. No installment on which a default charge has been collected or on account of which any partial payment has been made may be deferred or included in the computation of the deferment charge unless the default charge or partial payment is refunded or credited to the deferment charge. The deferment charge may be collected at the time of the deferment or at any time after that and any payment received at the time of the deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the contract. If that payment is sufficient also to pay in full an

installment which is in default and the applicable default charge it must be first so applied and the installment may not be deferred nor subject to the default charge.

2. If a refund is required during a deferment period for any reason, the borrower is also entitled to receive a refund of that portion of the deferment charge attributable to the unexpired full months of the deferment period.

Sec. 21. Except as provided in sections 2 to 12, inclusive, of this act:

1. If a precomputed loan contract is prepaid in full before the final installment date the borrower is entitled to receive a refund of an amount which must be at least as great a proportion of the combined total of interest and service charge, excluding any adjustment made for a first period of more than 1 month, as the sum of the periodic time balances following the date determined by the following sentence bears to the sum of all the periodic time balances under the schedule of payments in the original contract. In computing any required refund, any prepayment in full made on or before the 15th day following an installment date shall be deemed to have been made on the installment due date preceding the prepayment in full and if made on or after the 16th day shall be deemed to have been made on the installment due date following the prepayment in full.

No refund may be required for partial prepayments and no refund of less than $1 need be made.

2. The tender by the borrower, or at his request, of an amount equal to the unpaid balance less the required refund must be accepted by the licensee in full payment of the contract. If the maturity of the contract is accelerated for any reason, the licensee shall make the same refund as would be required for prepayment in full.

Sec. 22. No licensee may induce or permit any person or husband and wife to be obligated, directly or indirectly, under more than one contract of loan at the same time for the purpose of or with the effect of obtaining a higher rate of charge than would otherwise be permitted by this chapter.

Sec. 23. 1. Except as provided in subsection 2, in addition to the charges authorized by this chapter, no further or other amount may be directly or indirectly charged, contracted for or received from the borrower in connection with a loan made under this chapter.

2. The restrictions in subsection 1 do not apply to:

(a) Court costs.

(b) Reasonable attorney's fees fixed and assessed by the court.

(c) Lawful fees for the filing, recording or releasing in any public office of any instrument securing a loan.

(d) The identifiable charge or premium for insurance provided for in NRS 675.300 if:

(1) With respect to insurance on tangible personal property offered as security for the loan, a clear, conspicuous, and specific statement in writing is furnished by the lender to the borrower setting forth the cost of the insurance if obtained from or through the lender and stating that the borrower may choose the person through whom the insurance is to be obtained; or

(2) With respect to insurance on the life, health or disability of a party obligated on a loan which is taken as security for the loan:

(I) The insurance is not required by the lender and this fact is clearly and conspicuously disclosed in writing to the borrower; and

(II) Any borrower desiring the insurance coverage gives specifically dated and separately signed affirmative written indication of this desire after receiving written disclosure to him of the cost of the insurance.

(e) Fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for a loan made under this chapter.

(f) Reasonable fees of a trustee for preparing and recording a reconveyance of any real property securing the loan.

(g) The following fees on any loan which is secured in whole or in part by real property:

(1) Reasonable amounts actually applied in payment of the expense of inspecting or appraising the property offered in connection with the loan, investigating the responsibility of the applicant or procuring or extending any abstract of title or certificate of title insurance covering the property;

(2) The amount actually paid for the examination of any such abstract or title insurance certificate;

(3) An escrow fee of a reasonable amount when paid to an independent person in connection with the loan; and

(4) Attorney's fees for the preparation of deeds, deeds of trust and other documents in connection with the loan if the attorney is not a salaried employee of the licensee.

(h) Reasonable expenses, including compensation of the trustee and his attorney's fees:

(1) Upon the proper exercise of a power of sale contained in a mortgage or deed of trust given to secure the loan; or

(2) Upon judicial foreclosure of any secured interest contained in a mortgage or deed of trust given to secure the loan.

Sec. 24. If any amount in excess of the amounts authorized

by this chapter is charged, contracted for or received, except as the result of an accidental or bona fide error, the licensee has no right to collect or receive any interest.

Sec. 25. NRS 675.290 is hereby amended to read as follows:

675.290 [1.] For the purposes of [this section,] sections 16 to 24, inclusive, of this act, a loan or refinancing is "precomputed" if the debt is expressed as a sum comprising the principal and the interest charge computed in advance.

[2. Except as provided in paragraph (c) of this subsection, every licensee may make loans of any amount with cash advance not exceeding $10,000, repayable except as otherwise provided in subsection 4, in substantially equal consecutive monthly installments of principal and interest combined, and may charge, contract for, collect and receive charges not in excess of the following:

(a) A charge for interest at a rate not exceeding the equivalent of the greater of the following:

(1) The total of:

(I) Thirty-six percent per year on that part of the unpaid balance of the amount of cash advanced which is $300 or less;

(II) Twenty-one percent per year on that part of the unpaid balance of the amount of cash advanced which exceeds $300 but does not exceed $1,000; and

(III) Fifteen percent per year on that part of the unpaid balance of the amount of cash advanced which exceeds $1,000.

(2) Eighteen percent per year on the unpaid balance of the amount of cash advanced.

(b) The charge for interest must be calculated according to the actuarial method, which is the method of allocating payments between principal and interest pursuant to which a payment is applied first to the accumulated interest and the balance, if any, is applied to the unpaid principal. A licensee may, at the time the loan is made, precompute the charge for interest at the agreed-upon rate on the scheduled unpaid principal balances according to the terms of the contract and add that interest to the principal of the loan. Where the charge for interest is precomputed the face amount of any note or contract may exceed $10,000 by the amount of charges authorized by this chapter added to principal. If the charge for interest is precomputed, payments on account may be applied to the combined total of principal and precomputed interest until the contract is fully paid. All payments on account, except those applied to default or deferment charges, must be applied to the installments in the order in which they fall due. The effect of prepayment of a precomputed loan is governed by the provisions relating to refund upon prepayment in full.

(c) On loans secured by mobile homes or factory-built housing which constitute real estate on real property as defined by NRS 361.035 the charge for interest may not exceed 18 percent on the unpaid balance of the amount of cash advanced.

(d) In the event of a default of more than 7 days in the payment of one-half or more of any scheduled installment on a precomputed loan contract, the licensee may charge and collect a default charge not exceeding an amount equal to the refund that would be required if the loan were prepaid in full 1 month prior to maturity. The charge may not be collected more than once for the same default and may be collected at the time of such default or at any time thereafter. If such default charge is deducted from any payment received after default occurs and such deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

(e) If, as of an installment due date, the payment dates of all wholly unpaid installments on a precomputed loan contract, on which no default charge has been collected, are deferred one or more full months and the maturity of the contract is extended for a corresponding period, the licensee may charge and collect a deferment charge which shall not exceed the difference between the refund that would be required for prepayment in full as of the scheduled due date of the first deferred installment and

the amount which would be required for prepayment in full as of 1 month prior to such date multiplied by the number of months in the deferment period. The deferment period is that period of time in which no payment is made or required by reason of the deferment. No installment on which a default charge has been collected or on account of which any partial payment has been made may be deferred or included in the computation of the deferment charge unless such default charge or partial payment is refunded or credited to the deferment charge. The deferment charge may be collected at the time of the deferment or at any time thereafter and any payment received at the time of the deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the contract. If such payment is sufficient also to pay in full an installment which is in default and the applicable default charge it must be first so applied and such installment shall not be deferred nor subject to the default charge.

If a refund is required during a deferment period the borrower must also receive a refund of that portion of the deferment charge attributable to the unexpired full months of the deferment period.

3. If a precomputed loan contract is prepaid in full before the final installment date the borrower shall receive a refund

of an amount which shall be at least as great a proportion of the combined total of interest and service charge, excluding any adjustment made for a first period of more than 1 month, as the sum of the periodic time balances following the date determined by the following sentence bears to the sum of all the periodic time balances under the schedule of payments in the original contract. In computing any required refund, any prepayment in full made on or before the 15th day following an installment date shall be deemed to have been made on the installment due date preceding such prepayment in full and if made on or after the 16th day shall be deemed to have been made on the installment due date following such prepayment in full. No refund may be required for partial prepayments and no refund of less than $1 need be made. The tender by the borrower, or at his request, of an amount equal to the unpaid balance less the required refund must be accepted by the licensee in full payment of the contract. If the maturity of the contract is accelerated for any reason, the licensee shall make the same refund as would be required for prepayment in full.

4. When a loan contract is for more or less than 1 year, the interest must be computed at one-twelfth the annual rate for each month. For the purpose of computing charges, whether at the maximum rate or less, a month shall be that period of time

from any date in a calendar month to the corresponding date in the following calendar month, but if there is no such corresponding date, then to the last day of such following month. A day is one-thirtieth of a month when computation is made for a fraction of a month.

5. A borrower and licensee may agree that the first installment due date may be not more than 15 days more than 1 month from the date of the loan and the amount of such first installment may be increased by one-thirtieth of the portion of the interest authorized by paragraph (a) of subsection 2 which would be attributable to a first installment of 1 month for each extra day.

6. No licensee may induce or permit any person or husband and wife to be obligated, directly or indirectly, under more than one contract of loan at the same time for the purpose of or with the effect of obtaining a higher rate of charge than would otherwise be permitted by this section.

7. In addition to the charges herein provided for, no further or other amount whatsoever shall be directly or indirectly charged, contracted for or received from the borrower in connection with a loan made under this chapter except:

(a) Court costs.

(b) Reasonable attorneys' fees fixed and assessed by the court.

(c) Lawful fees for the filing, recording or releasing in any public office of any instrument securing a loan.

(d) The identifiable charge or premium for insurance provided for in NRS 675.300 if:

(1) With respect to insurance on tangible personal property offered as security for the loan, a clear, conspicuous, and specific statement in writing is furnished by the lender to the borrower setting forth the cost of the insurance if obtained from or through the lender and stating that the borrower may choose the person through whom the insurance is to be obtained; or

(2) With respect to insurance on the life, health or disability of a party obligated on a loan which is taken as security for the loan:

(I) The insurance is not required by the lender and this fact is clearly and conspicuously disclosed in writing to the borrower; and

(II) Any borrower desiring the insurance coverage gives specifically dated and separately signed affirmative written indication of this desire after receiving written disclosure to him of the cost of the insurance.

(e) Fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for a loan made under this chapter.

(f) Reasonable fees of a trustee for preparing and recording a reconveyance of any real property securing the loan.

(g) The following fees on any loan which is secured in whole or in part by real property:

(1) Reasonable amounts actually applied in payment of the expense of inspecting or appraising the property offered in connection with the loan, investigating the responsibility of the applicant or procuring or extending any abstract of title or certificate of title insurance covering the property;

(2) The amount actually paid for the examination of any such abstract or title insurance certificate;

(3) An escrow fee of a reasonable amount when paid to an independent person in connection with the loan; and

(4) Attorney's fees for the preparation of deeds, deeds of trust and other documents in connection with the loan if the attorney is not a salaried employee of the licensee.

(h) Reasonable expenses, including compensation of the trustee and his attorney's fees:

(1) Upon the proper exercise of a power of sale contained in a mortgage or deed of trust given to secure the loan; or

(2) Upon judicial foreclosure of any secured interest contained in a mortgage or deed of trust given to secure the loan.

8. If any amount in excess of the amounts authorized by this

chapter is charged, contracted for or received, except as the result of an accidental or bona fide error, the licensee shall have no right to collect or receive any interest.]

Sec. 26. NRS 677.670 is hereby amended to read as follows:

677.670 1. A licensee may only make loans in gross amounts of $3,500 or more, but less than a gross amount of $5,000, which are repayable, except as otherwise provided in subsections 3 and 4, in substantially equal consecutive periodic installments of principal and interest combined, and , except as provided in section 11 of this act, may charge, contract for, collect and receive interest and charges computed by either of the following methods:

(a) A charge for interest in an amount not exceeding $10 per annum, add-on per $100 of the cash advance; or

(b) A charge for interest in an amount not exceeding 1.5 percent per month on the unpaid principal balance.

2. The charge for interest under paragraph (b) of subsection 1 [shall] must be calculated according to the actuarial method, which is the method of allocating payments between principal and interest pursuant to which a payment is applied first to the accumulated interest and the balance, if any, is applied to the unpaid principal. Except as provided in sections 2 to 12, inclusive, of this act:

(a) A licensee may, at the time the loan is made, precompute the charge for interest at the agreed-upon rate on the scheduled unpaid principal balances according to the terms of the contract and add [such] that interest to the principal of the loan. If the charge for interest is precomputed, payments on account may be applied to the combined total of principal and precomputed interest until the contract is fully paid. All payments on account, except those applied to default or deferment charges, shall be applied to the installments in the order in which they fall due.

(b) The effect of prepayment of a precomputed loan is governed by the provisions of this chapter relating to refund upon prepayment in full.

3. A borrower and licensee may agree that the first installment due date may be not more than 15 days more than 1 month from the date of the loan and the amount of [such] the first installment may be increased by one-thirtieth of the portion of the interest authorized by paragraphs (a) and (b) of subsection 1 which would be attributable to a first installment of 1 month for each extra day.

4. A licensee may make loans which are repayable at maturity by a single payment including principal, interest and charges, if:

(a) The duration of the loan is 1 year or less; and

(b) The borrower's income is substantially greater at or soon before the maturity date than at other times.

5. [When] Except as provided in section 12 of this act, when a loan contract is for more or less than 1 year, the interest [shall] must be computed at one-twelfth the annual rate for each month. For the purpose of computing charges, whether at the maximum rate or less, a month is that period of time from any date in a calendar month to the corresponding date in the following calendar month, but if there is no [such] corresponding date, then to the last day of [such] the following month. A day is one-thirtieth of a month when computation is made for a fraction of a month.

6. A licensee shall not induce or permit any person or husband and wife to be obligated, directly or indirectly, under more than one contract of loan at the same time for the purpose of or with the effect of obtaining a higher rate of charge than would otherwise be permitted by this section.

Sec. 27. NRS 677.680 is hereby amended to read as follows:

677.680 1. For a default of more than 7 days in the payment of one-half or more of any scheduled installment on a precomputed loan contract, the licensee may charge and collect a default charge not exceeding an amount equal to the refund that would be required if the loan were prepaid in full 1 month

[prior to maturity. Such] before maturity. The charge may not be collected more than once for the same default and may be collected at the time of [such] the default or at any time thereafter. [If such] If the default charge is deducted from any payment received after default occurs and [such] the deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

2. If, as of an installment due date, the payment dates of all wholly unpaid installments on a precomputed loan contract, on which no default charge has been collected, are deferred 1 or more full months and the maturity of the contract is extended for a corresponding period, the licensee may charge and collect a deferment charge which [shall] may not exceed the difference between the refund that would be required for prepayment in full as of the scheduled due date of the first deferred installment and the amount which would be required for prepayment in full as of 1 month [prior to such] before that date multiplied by the number of months in the deferment period. The deferment period is that period of time in which no payment is made or required by reason of the deferment. No installment on which a default charge has been collected or on account of which any partial payment has been made may be deferred or included in the computation of the deferment charge unless [such] the

default charge or partial payment is refunded or credited to the deferment charge. The deferment charge may be collected at the time of the deferment or at any time thereafter and any payment received at the time of the deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the contract. If [such] that payment is sufficient also to pay in full an installment which is in default and the applicable default charge it [shall] must be first so applied and [such installment shall] the installment may not be deferred nor subject to the default charge. No more than three deferment charges each for 1 month, or an equivalent amount for one or two longer deferments, may be made in any 12-month period.

If a refund is required during a deferment period the borrower [shall also] is also entitled to receive a refund of that portion of the deferment charge attributable to the unexpired full months of the deferment period.

3. Except as provided in sections 2 to 12, inclusive, of this act:

(a) If a precomputed loan contract is prepaid in full before the final installment date the borrower is entitled to receive a refund of an amount which [shall] must be at least as great a proportion of the combined total of interest and service charge,

excluding any adjustment made for a first period of more than 1 month, as the sum of the periodic time balances following the date determined by the following sentence bears to the sum of all the periodic time balances under the schedule of payments in the original contract. In computing any required refund, any prepayment in full made on or before the 15th day following an installment date shall be deemed to have been made on the installment due date preceding [such] the prepayment in full and if made on or after the 16th day shall be deemed to have been made on the installment due date following [such] the prepayment in full. No refund is required for partial prepayments and no refund of less than $1 need be made.

(b) The tender by the borrower, or at his request, of an amount equal to the unpaid balance less the required refund must be accepted by the licensee in full payment of the contract. If the maturity of the contract is accelerated for any reason, the licensee shall make the same refund as would be required for prepayment in full.

4. For the purpose of this section, a loan or refinancing is "precomputed" if the debt is expressed as the sum comprising the principal and the interest charges computed in advance.

Sec. 28. The provisions of sections 2 to 12, inclusive, of this act apply only to loan contracts and retail installment contracts entered into on or after July 1, 1981.

SUMMARY--Makes provisions governing rental of mobile home lots applicable to certain recreational vehicles.
(BDR 10-27)
Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to landlords and tenants of mobile home lots; making provisions governing the rental of mobile home lots applicable to certain recreational vehicles; and providing other matters properly relating thereto.

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

Section 1. NRS 118.230 is hereby amended to read as follows:

118.230 As used in NRS 118.230 to 118.340, inclusive:

1. "Landlord" means the owner, lessor or operator of a mobile home park.

2. "Mobile home" means a vehicular structure without independent motive power, built on a chassis or frame, which is:

(a) Designed to be used with or without a permanent foundation;

(b) Capable of being drawn by a motor vehicle; and

(c) Used as and suitable for year-round occupancy as a residence, when connected to utilities, by one person who maintains a household or by two or more persons who maintain a common household.

3. "Mobile home lot" means a portion of land within a mobile home park which is rented or held out for rent to accommodate [a] :

(a) A mobile home [.] ; or

(b) A recreational vehicle for 1 month or more.

4. "Mobile home park" or "park" means an area or tract of land where two or more mobile homes or mobile home lots are rented or held out for rent. ["Mobile home park" does not include an area or tract of land where more than half of the lots are rented overnight or for less than 1 month.]

5. "Recreational vehicle" means a vehicular structure primarily designed as temporary living quarters for travel, recreational or camping use, which may be self-propelled, mounted upon, or drawn by, a motor vehicle.

Sec. 2. NRS 118.235 is hereby amended to read as follows:

118.235 The provisions of NRS 118.230 to 118.340, inclusive, do not apply to [mobile] :

1. Mobile home parks operated by public housing authorities and established pursuant to the United States Housing Act of 1937, as amended (now 42 U.S.C. §§ 1437 et seq.).

2. Any lot in a mobile home park which is rented or held out for rent overnight or for less than 1 month.

3. Any recreational vehicle located on a lot described in subsection 2.

Sec. 3. NRS 118.241 is hereby amended to read as follows:

118.241 A written rental contract or lease must be executed between a landlord and tenant to rent or lease any mobile home lot at the request of either the landlord or the tenant. The written rental contract or lease must contain but is not limited to provisions relating to the following subjects:

1. Duration of the agreement.

2. Amount of rent, the manner and time of its payment and the amount of any charges for late payment and dishonored checks.

3. Restrictions on and charges for occupancy by children or pets.

4. Services and utilities included with the lot rental and the responsibility of maintaining or paying for the services and utilities.

5. Fees which may be required and the purposes for which they are required.

6. Deposits which may be required and the conditions for their refund.

7. Maintenance which the tenant is required to perform and any appurtenances he is required to provide.

8. The name and address of the owner of the mobile home park or his authorized agent.

9. Any restrictions on subletting.

10. The number of and charges for persons who are to occupy a mobile home or recreational vehicle on the lot.

11. Any recreational facilities and other amenities provided to the tenant.

Sec. 4. NRS 118.270 is hereby amended to read as follows:

118.270 The landlord or his agent or employee shall not:

1. Charge or receive:

(a) Any entrance or exit fee to a tenant assuming or leaving occupancy of a mobile home lot.

(b) Any transfer or selling fee or commission as a condition to permitting a tenant to sell his mobile home or recreational vehicle within the mobile home park even if the mobile home or recreational vehicle is to remain within the park, unless the landlord has acted as the [mobile home owner's] tenant's agent in the sale pursuant to a written contract.

(c) Any security or damage deposit the purpose of which is to avoid compliance with the provisions of subsection 5.

(d) Any fee for the tenant's spouse or children other than as provided in the lease.

(e) Any unreasonable fee for pets kept by a tenant in the park. If special facilities or services are provided, the landlord may also charge a fee reasonably related to the cost

of maintenance of the facility or service and the number of pets kept in the facility.

2. Increase rent or service fees unless:

(a) The rental rates or the increase in service fees applies in a uniform manner to all tenants similarly situated or, if it is a service fee, to a given circumstance, except that a discount may be selectively given to persons who are handicapped or who are 62 years of age or older; and

(b) Written notice advising a tenant of the increase is sent to the tenant 60 days in advance of the first payment to be increased and written notice of the increase is given to prospective tenants on or before commencement of their tenancy.

3. Deny any tenant the right to sell his mobile home or recreational vehicle within the park or require the tenant to remove the mobile home or recreational vehicle from the park solely on the basis of [such] the sale, except as provided in NRS 118.280.

4. Prohibit any tenant desiring to sell his mobile home or recreational vehicle within the park from advertising the location of the [mobile home] vehicle and the name of the mobile home park or prohibit the tenant from displaying at least one sign of reasonable size advertising the sale of the [mobile home.] vehicle.

5. Prohibit any meetings held in the park's community or recreation facility by the tenants or occupants of any mobile home or recreational vehicle in the park to discuss [mobile home living and] the park's affairs, or any tenant-sponsored political meeting, if [such] the meetings are held at reasonable hours and when the facility is not otherwise in use.

6. Interrupt, with the intent to terminate occupancy, any utility service furnished the tenant except for nonpayment of utility charges when due. Any landlord who violates this subsection is liable to the tenant for actual damages and $100 in exemplary damages for each day that the tenant is deprived of utility service.

7. Require that he be an agent of an owner of a mobile home or recreational vehicle who desires to sell the [mobile home.] vehicle.

8. Unless prohibited by a written lease or a general rule or regulation of the park if there is no written lease, unreasonably prohibit a tenant from subleasing his mobile home lot if the prospective subtenant meets the general requirements for tenancy in the park.

Sec. 5. NRS 118.280 is hereby amended to read as follows:

118.280 1. The landlord may require approval of a prospective buyer and tenant before the sale of a tenant's mobile home

[,] or recreational vehicle, if the [mobile home] vehicle will remain in the park. The landlord shall not unreasonably withhold his consent.

2. If a tenant sells his mobile home [,] or recreational vehicle, the landlord may require that the [mobile home] vehicle be removed from the park if [the mobile home] it is:

(a) Deemed by the landlord to be in a rundown condition or in disrepair; or

(b) Unoccupied for more than 90 consecutive days before the sale.

Sec. 6. NRS 118.295 is hereby amended to read as follows:

118.295 The rental agreement described in NRS 118.291 may not be terminated except for:

1. Failure of the tenant to pay rent, utility charges or reasonable service fees within 10 days after written notice of delinquency served upon the tenant in the manner provided in NRS 40.280;

2. Failure of the tenant to correct any noncompliance with a law, ordinance or governmental regulation pertaining to mobile homes or recreational vehicles or a valid rule or regulation established pursuant to NRS 118.260 or to cure any violation of the rental agreement within a reasonable time after receiving notification of noncompliance or violation;

3. Conduct of the tenant in the mobile home park which constitutes an annoyance to other tenants or interferes with park management;

4. Violation of valid rules of conduct, occupancy or use of park facilities after written notice of the violation is served upon the tenant in the manner provided in NRS 40.280;

5. Condemnation or a change in land use of the mobile home park if the landlord notifies the tenant in writing at least 6 months before the termination or pays the costs of moving the tenant's mobile home to a new location no more than 10 miles distant; or

6. Conduct of the tenant which constitutes a nuisance as defined in NRS 40.140 or which violates a state law or local ordinance.

Sec. 7. NRS 118.310 is hereby amended to read as follows:

118.310 1. If a mobile home or recreational vehicle is made unfit for occupancy for any period in excess of 48 hours by any cause for which the landlord is responsible or over which he has control, the rent [shall be] may be, at the tenant's option, proportionately abated, and if it is, must be refunded or credited against the following month's rent. The tenant need not abandon the mobile home or recreational vehicle as a prerequisite to seeking relief under this subsection.

2. As an alternative to [such] the abatement of rent, the tenant may procure reasonable substitute housing for occupancy while his mobile home or recreational vehicle remains unfit and may:

(a) Recover the actual and reasonable cost of the substitute housing from the landlord, but not more than an amount equal to the rent for the mobile home lot; or

(b) Deduct the cost from future rent.

Sec. 8. NRS 118.335 is hereby amended to read as follows:

118.335 1. The governing body of each city and county may establish a board to mediate grievances between landlords and tenants of mobile home parks.

2. The board must include owners of mobile home parks, tenants of mobile home parks and members representing the general public.

3. The board shall:

(a) Attempt to adjust grievances between the landlords and tenants by means of mediation or negotiation.

(b) Recommend changes in local ordinances related to mobile homes , recreational vehicles and mobile home parks.

(c) Recommend measures to promote equity between tenant and landlord.

(d) Encourage the development of mobile home parks to meet the needs of the community.