PROPOSED REGULATION OF THE

MANUFACTURED HOUSING DIVISION OF

THE DEPARTMENT OF BUSINESS AND INDUSTRY

LCB File No. R113-13

October 29, 2013

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

AUTHORITY: §1, NRS 461.170; §2, NRS 461A.090; §3, NRS 489.231, 489.241 and 489.261; §4, NRS 489.231 and 489.431; §5, NRS 489.285 and 489.323; §§6 and 7, NRS 489.321; §§8 and 9, NRS 489.481; §10, NRS 461.170, 489.231, 489.261 and 489.7152.

A REGULATION relating to manufactured housing; adopting by reference certain codes and standards; providing for the licensing of distributors of manufactured homes, mobile homes, manufactured buildings, commercial coaches and factory-built housing; amending provisions concerning the documentation which must be submitted by applicants for certain licenses; repealing provisions concerning the labeling of plumbing fixtures in certain manufactured buildings, the maintenance of certain cash deposits by certain manufacturers, the installation of certain steps and the form for purchase contracts and listing agreements; and providing other matters properly relating thereto.

Section 1. NAC 461.205 is hereby amended to read as follows:

461.205 The Division hereby adopts by reference:

- 1. The *International Residential Code for One- and Two-Family Dwellings*, [2006] 2012 edition, published by the International Code Council, with the following modifications:
- (a) Any reference to the *International Plumbing Code* shall be deemed a reference to the *Uniform Plumbing Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials;

- (b) Any reference to the *International Electrical Code* shall be deemed a reference to the *National Electrical Code*, [2005] 2011 edition [;], published by the National Fire Protection Association;
- (c) Any reference to the *International Mechanical Code* shall be deemed a reference to the *Uniform Mechanical Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials;
- (d) The definition of "manufactured home" set forth in section R202 is deleted and replaced with "has the meaning ascribed to it in NRS 489.113"; and
 - (e) Appendix E is deleted.
- → The International Residential Code for One- and Two-Family Dwellings, [2006] 2012 edition, may be obtained from the International Code Council by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5771,] 25442 Network Place, Chicago, Illinois 60673-1254, or at the Internet address http://www.iccsafe.org. The price is [\$61.00] \$86 for members and [\$81.50] \$114 for nonmembers.
- 2. The *International Building Code*, [2006] *2012* edition, published by the International Code Council with the following modifications:
- (a) Any reference to the *International Plumbing Code* shall be deemed a reference to the *Uniform Plumbing Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials;
- (b) Any reference to the *International Electrical Code* shall be deemed a reference to the *National Electrical Code*, [2005] 2011 edition [;], published by the National Fire Protection Association;

- (c) Any reference to the *International Mechanical Code* shall be deemed a reference to the *Uniform Mechanical Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials;
- (d) The definition of "manufactured home" set forth in section G201.2 of Appendix G is deleted and replaced with "has the meaning ascribed to it in NRS 489.113"; and
 - (e) Section G501 of Appendix G is deleted.
- → The *International Building Code*, [2006] 2012 edition, may be obtained from the International Code Council by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5771,] 25442 Network Place, Chicago, Illinois 60673-1254, or at the Internet address http://www.iccsafe.org. The price is [\$78.75] \$94 for members and [\$105.00] \$125 for nonmembers.
- 3. The *Uniform Plumbing Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials. This code may be obtained from the International Association of Plumbing and Mechanical Officials by mail at [5001] 4755 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address [http://www.iapmo.org.] http://www.iapmomembership.org. The price is [\$74] \$88.80 for members and [\$93] \$111.00 for nonmembers.
- 4. The *Uniform Mechanical Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials. This code may be obtained from the International Association of Plumbing and Mechanical Officials by mail at [5001] 4755 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address [http://www.iapmo.org.] http://www.iapmomembership.org. The price is [\$74] \$88.80 for members and [\$93] \$111.00 for nonmembers.

- 5. The *National Electrical Code*, [2005] 2011 edition, published by the National Fire Protection Association. This code may be obtained from the National Fire Protection Association by mail at 1 Batterymarch Park, Quincy, Massachusetts 02169-7471, or at the Internet address http://www.nfpa.org. The price is [\$67.50] \$80.55 for members and [\$75.00] \$89.50 for nonmembers.
- 6. The NFPA 101: Life Safety Code, [2006] 2012 edition, published by the National Fire Protection Association. This code may be obtained from the National Fire Protection Association by mail at 1 Batterymarch Park, Quincy, Massachusetts 02169-7471, or at the Internet address http://www.nfpa.org. The price is [\$67.50] \$83.70 for members and [\$75] \$93 for nonmembers.
- 7. The *International Energy Conservation Code*, [2006] 2012 edition, published by the International Code Council. This code may be obtained from the International Code Council by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5771,] 25442 Network Place, Chicago, Illinois 60673-1254, or at the Internet address http://www.iccsafe.org. The price is [\$25.00] \$31 for members and [\$32.50] \$41 for nonmembers.
 - **Sec. 2.** NAC 461A.350 is hereby amended to read as follows: 461A.350 The Administrator hereby adopts by reference:
- 1. The *International Building Code*, [2003] *2012* edition, published by the International Code Council, with the following modifications:
- (a) Any reference to the *International Plumbing Code* shall be deemed a reference to the *Uniform Plumbing Code*, [2003] 2012 edition;
- (b) Any reference to the *International Electrical Code* shall be deemed a reference to the *National Electrical Code*, [2002] 2011 edition [;], published by the National Fire Protection Association;

- (c) Any reference to the *International Mechanical Code* shall be deemed a reference to the *Uniform Mechanical Code*, [2003] 2012 edition;
- (d) The definition of "manufactured home" set forth in section G201.2 of Appendix G is deleted and replaced with "has the meaning ascribed to it in NRS 489.113"; and
 - (e) Section G501 of Appendix G is deleted.
- → The *International Building Code*, [2003] 2012 edition, may be obtained from the International Code Council, by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795,] 25442 Network Place, Chicago, Illinois 60673-1254, or at the Internet address http://www.iccsafe.org. The price is [\$69] \$94 for members and [\$86] \$125 for nonmembers.
- 2. The *International Residential Code for One- and Two-Family Dwellings*, [2003] 2012 edition, published by the International Code Council, with the following modifications:
- (a) Any reference to the *International Plumbing Code* shall be deemed a reference to the *Uniform Plumbing Code*, [2003] 2012 edition;
- (b) Any reference to the *International Electrical Code* shall be deemed a reference to the *National Electrical Code*, [2002] 2011 edition;
- (c) Any reference to the *International Mechanical Code* shall be deemed a reference to the *Uniform Mechanical Code*, [2003] 2012 edition;
- (d) The definition of "manufactured home" set forth in section R202 is deleted and replaced with "has the meaning ascribed to it in NRS 489.113"; and
 - (e) Appendix E is deleted.
- → The International Residential Code for One- and Two-Family Dwellings, [2003] 2012 edition, may be obtained from the International Code Council, by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795,] 25442 Network Place, Chicago, Illinois 60673-1254,

or at the Internet address **http://www.iccsafe.org**. The price is [\$46.50] \$86 for members and [\$62] \$114 for nonmembers.

- 3. The *Uniform Plumbing Code*, [2003] 2012 edition, published by the International Association of Plumbing and Mechanical Officials. This code may be obtained from the International Association of Plumbing and Mechanical Officials, by mail at [5001] 4755 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address [http://www.iapmo.org.] http://www.iapmomembership.org. The price is [\$64] \$88.80 for members and [\$89] \$111 for nonmembers.
- 4. The *Uniform Mechanical Code*, [2003] 2012 edition, published by the International Association of Plumbing and Mechanical Officials. This code may be obtained from the International Association of Plumbing and Mechanical Officials, by mail at [5001] 4755 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address [http://www.iapmo.org.] http://www.iapmomembership.org. The price is [\$64] \$88.80 for members and [\$89] \$111.00 for nonmembers.
- 5. The National Electrical Code, [2002] 2011 edition, published by the National Fire Protection Association. This code may be obtained from the National Fire Protection Association, by mail at [11 Tracy Drive, Avon, Massachusetts 02322,] 1 Batterymarch Park, Quincy, Massachusetts 02169-7471, or at the Internet address http://www.nfpa.org. The price is [\$65.25] \$80.55 for members and [\$72.50] \$89.50 for nonmembers.
- 6. The *NFPA 101: Life Safety Code*, [2003] 2012 edition, published by the National Fire Protection Association. The code may be obtained from the National Fire Protection Association, by mail at [11 Tracy Drive, Avon, Massachusetts 02322.] 1 Batterymarch Park, Quincy,

- *Massachusetts 02169-7471*, or at the Internet address http://www.nfpa.org. The price is [\$62.55] \$83.70 for members and [\$69.50] \$93 for nonmembers.
- 7. The *International Energy Conservation Code*, [2003] 2012 edition, published by the International Code Council. This code may be obtained from the International Code Council, by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795,] 25442 Network Place, Chicago, Illinois 60673-1254, or at the Internet address http://www.iccsafe.org. The price is [\$23] \$31 for members and [\$29] \$41 for nonmembers.
 - **Sec. 3.** NAC 489.177 is hereby amended to read as follows:
- 489.177 The Administrator hereby adopts by reference the following codes and standards for *portable buildings*, commercial coaches and accessory structures:
- 1. The *International Building Code*, [2006] 2012 edition, published by the International Code Council, with the following modifications:
- (a) Any reference to the *International Plumbing Code* shall be deemed a reference to the *Uniform Plumbing Code*, [2006] 2012 edition;
- (b) Any reference to the *International Electrical Code* shall be deemed a reference to the *National Electrical Code*, [2005] 2011 edition [;], published by the National Fire Protection Association;
- (c) Any reference to the *International Mechanical Code* shall be deemed a reference to the *Uniform Mechanical Code*, [2006] 2012 edition;
- (d) The definition of "manufactured home" set forth in section G201.2 of Appendix G is deleted and replaced with "has the meaning ascribed to it in NRS 489.113"; and
 - (e) Section G501 of Appendix G is deleted.

- → The *International Building Code*, [2006] 2012 edition, may be obtained from the International Code Council by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5771,] 25442 Network Place, Chicago, Illinois 60673-1254, or at the Internet address http://www.iccsafe.org. The price is [\$78.75] \$94 for members and [\$105.00] \$125 for nonmembers.
- 2. The *Uniform Plumbing Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials. This code may be obtained from the International Association of Plumbing and Mechanical Officials by mail at [5001] 4755 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address [www.iapmo.org.] http://www.iapmomembership.org. The price is [\$74] \$88.80 for members and [\$93] \$111.00 for nonmembers.
- 3. The *Uniform Mechanical Code*, [2006] 2012 edition, published by the International Association of Plumbing and Mechanical Officials. This code may be obtained from the International Association of Plumbing and Mechanical Officials by mail at [5001] 4755 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address [www.iapmo.org.] http://www.iapmomembership.org. The price is [\$74] \$88.80 for members and [\$93] \$111 for nonmembers.
- 4. The *National Electrical Code*, [2005] 2011 edition, published by the National Fire Protection Association. This code may be obtained from the National Fire Protection Association by mail at 1 Batterymarch Park, Quincy, Massachusetts 02169-7471, or at the Internet address http://www.nfpa.org. The price is [\$67.50] \$80.55 for members and [\$75.00] \$89.50 for nonmembers.

- 5. The NFPA 101: Life Safety Code, [2006] 2012 edition, published by the National Fire Protection Association. The code may be obtained from the National Fire Protection Association by mail at 1 Batterymarch Park, Quincy, Massachusetts 02169-7471, or at the Internet address http://www.nfpa.org. The price is [\$67.50] \$83.70 for members and [\$75.00] \$93 for nonmembers.
- 6. The *International Energy Conservation Code*, [2006] 2012 edition, published by the International Code Council. This code may be obtained from the International Code Council by mail at [4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5771,] 25442 Network Place, Chicago, Illinois 60673-1254, or at the Internet address http://www.iccsafe.org. The price is [\$25.00] \$31 for members and [\$32.50] \$41 for nonmembers.
 - **Sec. 4.** NAC 489.205 is hereby amended to read as follows:
- 489.205 1. The Division [will] may conduct routine office surveys, audits and inspections to determine whether licensees are complying with the provisions of this chapter and chapter 489 of NRS.
- 2. All business records and accounts of a licensee are subject to inspection and audit by the Division or its authorized representatives. Upon demand, a licensee shall provide the Division with all business records, accounts and permission necessary to complete an inspection and audit, including that necessary to inspect and audit funds in any bank or depository.
- 3. When a complaint is made to the Division the scope of the investigation is not limited to the matters set forth in the complaint but may extend to any act which appears to violate the provisions of this chapter, chapter 489 of NRS or federal laws or regulations.
- 4. If the Division determines that there is not sufficient evidence to make a prima facie case, it may dismiss the matter without prejudice at any stage of the investigation or proceeding.

- 5. If the Division is satisfied, after an investigation initiated by a complaint or on its own initiative, that there is sufficient evidence to make a prima facie case, the Division may commence a formal proceeding.
 - **Sec. 5.** NAC 489.303 is hereby amended to read as follows:
- 489.303 [1. A person who wishes to renew or reinstate a general serviceperson's or specialty serviceperson's license issued by the Division pursuant to chapter 489 of NRS must provide the Division with proof that he or she has completed the required number of hours of continuing education as set forth in NRS 489.323.
- 2.] The holder of a *dealer's*, *distributor's*, general serviceperson's, [or] specialty serviceperson's, *responsible managing employee's or salesperson's* license issued by the Division pursuant to chapter 489 of NRS may submit a written petition to the Administrator for an extension of time in which to comply with the requirements for continuing education [.] *set forth in NRS 489.323*. The Administrator may grant an extension if he or she finds that the holder of the license has a severe hardship resulting from circumstances beyond the holder's control which have prevented him or her from complying with the requirements.
 - **Sec. 6.** NAC 489.310 is hereby amended to read as follows:
- 489.310 1. The Division may require an applicant for a license as a dealer, *distributor*, manufacturer, general serviceperson or specialty serviceperson to show such a degree of experience, financial responsibility and such general knowledge of this chapter, chapter 489 of NRS, federal construction and safety standards relating to manufactured homes, the safety, health, finance and lien laws of this State and the rudimentary principles of the business for which the applicant wishes to obtain a license as the Division deems necessary for the safety and protection of the public.

- 2. An applicant may demonstrate his or her experience and knowledge by submitting to the Division:
- (a) Evidence of his or her prior employment or other experience in the occupation for which the applicant wishes to obtain a license; or
- (b) Proof that he or she has completed not less than 30 semester hours in courses of study which are approved by the Division.
 - 3. An applicant must submit to the Division:
- (a) A copy of the federal income tax return filed by the applicant for the preceding calendar year; and
- (b) Such other proof as the Division deems necessary to show the applicant's financial responsibility.
- 4. If the applicant is a corporation, its financial responsibility must be established independently of the assets of its officers, directors or stockholders, but the Division may inquire into and consider the personal assets of the officers, directors or stockholders in determining the financial responsibility of the corporation.
- 5. An applicant shall be deemed to be financially responsible if the Division determines that the applicant has, at the time the Division makes the determination, sufficient assets or income to operate his or her business. [for not less than 120 days.]
- 6. The Division [will] may determine financial responsibility according to the following criteria:
 - (a) Net worth;
 - (b) Liquid assets;
 - (c) Payment and credit records;

- (d) Business experience;
- (e) Prior and current liens;
- (f) Prior and pending lawsuits;
- (g) Adverse judgments;
- (h) Prior suspension or revocation of a license in this State or elsewhere for financial insolvency;
- (i) Any adjudication under bankruptcy law, including a composition, arrangement or reorganization;
- (j) Any appointment of a receiver for the property of the applicant or licensee or any officer, director, associate or partner thereof under the laws of this State or of the United States;
 - (k) Any making of a prohibited assignment for the benefit of creditors;
 - (1) Form of business organization;
 - (m) Information obtained from confidential financial references and credit reports; and
- (n) Reputation for honesty and integrity of the applicant or licensee or any officer, director, associate or partner.
- 7. [An applicant for a new manufactured home or commercial coach dealer's license must show proof that the applicant has not less than \$50,000 in cash on deposit in an operating account of the business in a Nevada financial institution before the Division will issue a license.
- 8. An applicant for a used manufactured home or commercial coach dealer's license must show proof that the applicant has not less than \$25,000 in cash on deposit in an operating account of the business in a Nevada financial institution before the Division will issue a license.
- 9. An applicant for a new manufactured home dealer's license, including a franchise dealership, must submit a letter of credit from a financial institution or a provider of inventory

financing showing that the applicant will be granted a specified amount of credit of not less than \$200,000 from that institution for the flooring of manufactured homes, commercial coaches, manufactured buildings or factory-built housing. This requirement does not apply to a dealership owned by a licensed manufacturer.

- 10.] An applicant for an initial license must submit to the Division a copy of any similar license issued by another state.
- [11.] 8. A partnership, limited partnership, limited-liability partnership, limited-liability limited partnership or limited-liability company or a corporation, whether or not for profit, that applies for a dealer's, *distributor's, manufacturer's*, general serviceperson's or specialty serviceperson's license must file a certified or verified copy of its partnership agreement, articles of organization or articles of incorporation with the Division.
 - [12.] 9. If an applicant submits an incomplete application:
 - (a) The Division will notify the applicant of the deficiencies in the application.
- (b) Except as otherwise provided in paragraph (c), the Division will deny the application unless the applicant corrects the deficiencies within 15 days after receiving the notice.
- (c) The Division may grant an extension of time to correct the deficiencies in the application if the applicant requests such an extension in writing within the 15-day period.
 - **Sec. 7.** NAC 489.347 is hereby amended to read as follows:
- 489.347 An applicant for the renewal of the dealer's, *distributor's*, general serviceperson's or specialty serviceperson's license issued to the applicant by the Division pursuant to chapter 489 of NRS must submit to the Division with his or her application for renewal:
 - 1. The fee required pursuant to NAC 489.360;
 - 2. [Complete] If the licensee is a dealer, complete copies of [bank]:

- (a) Bank statements for \vdash :
- (a) The operating account of the licensee for the immediately preceding 6 months; and
- (b) The] the immediately preceding 6 months for the trust account [of] maintained by the licensee [for the immediately preceding 6 months if the licensee is a dealer;] pursuant to paragraph (b) of subsection 1 of NRS 489.724; and
- (b) Documents accounting for all transactions during the immediately preceding 6 months in any escrow account maintained for the licensee pursuant to paragraph (a) of subsection 1 of NRS 489.724, if the dealer has such an account;
- 3. A copy of the current business license issued for the licensee's business by the county, city or town in which the licensee's business is located; and
- 4. Any other proof requested in writing by the Division pursuant to NRS 489.321 or 489.323.
 - **Sec. 8.** NAC 489.360 is hereby amended to read as follows:
- 489.360 1. The Division will charge the following fees for the issuance and renewal of a license:

(c) Biennially, for a license as a limited dealer authorized to act as a repossessor	
or liquidator	200
(c) (d) Biennially, to do business as a manufacturer of manufactured homes,	
mobile homes, commercial coaches, travel trailers, manufactured buildings or	
factory-built housing	750
For each additional officer or partner	150
[(d)] (e) Biennially, for a general serviceperson's or specialty serviceperson's	
license	200
For each additional officer or partner	150
Biennially, for each branch office	150
(e) (f) Biennially, for a license as a salesperson of manufactured homes,	
mobile homes, commercial coaches, manufactured buildings or factory-	
built housing	100
(g) Biennially, for a responsible managing employee's license	150
(g) (h) For each examination of an applicant for a license	50
(h) For a change of address by a licensee	50
(i) For a change of name by a licensee	50
(i) (k) To activate a license from inactive or suspended status	100
2. If a licensee fails to apply for the renewal of his or her license before the license	expires,
the licensee must pay a fee equal to one and one-half times the fee otherwise required for	r
renewal. If a licensee does not apply for the renewal of his or her license within 30 days	after the
license expires, the licensee must retake and pass the applicable oral or written examinate	tion and
submit the application and all of the fees required for an original license.	

- 3. The Division may collect a fee from any licensee who is involved in a complaint from a consumer to recover the costs of investigating and hearing the complaint. The fee will be based upon the rates established in this section.
 - **Sec. 9.** NAC 489.370 is hereby amended to read as follows:
- 489.370 In addition to the fees for a license required by the provisions of NAC 489.360, the Division will charge the following fees for processing an original application for a license:
- 1. As a dealer of manufactured homes, mobile homes, commercial coaches, manufactured buildings or factory-built housing.....\$400 For each branch office 100 2. As a distributor \$400 For each additional officer or partner _______100 To do business as a manufacturer of manufactured homes, mobile homes, commercial coaches, travel trailers, manufactured buildings or factory-built housing \$500 4. 5. As a general service person or specialty service person.......\$100 For each branch office ________100 [5.] 6. As a salesperson of manufactured homes, mobile homes, commercial

TEXT OF REPEALED SECTIONS

461.125 Labeling of plumbing fixtures in certain manufactured buildings. (NRS 461.170)

- 1. Each manufactured building on which construction began on or after March 1, 1992, which is:
 - (a) Located in this State; and
- (b) Equipped with a toilet, shower apparatus or faucet installed in a lavatory or kitchen,
 → must have a label affixed to that toilet, shower apparatus or faucet or an area immediately adjacent to it.
- 2. The label must be not less than 1 1/2 inches by 4 inches nor more than 4 inches by 5 inches and:
 - (a) If it is for a toilet, set forth the maximum amount of water the toilet uses for each flush;
- (b) If it is for a shower apparatus, contain a statement indicating whether it is equipped with a device to reduce the shower apparatus's rate of consumption of water per minute pursuant to NRS 461.175; or
- (c) If it is for a faucet, set forth the maximum rate at which water is allowed to flow per minute.

- 489.3105 Maintenance and proof of cash on deposit. (NRS 489.231) A person that holds a new manufactured home or commercial coach dealer's license or a used manufactured home or commercial coach dealer's license must:
- 1. Maintain the same amount of cash on deposit in a Nevada financial institution as required for issuance of an initial license pursuant to NAC 489.310; and
 - 2. Provide proof of the deposit to the Division upon request.
- 489.480 Width of landing area of certain steps. (NRS 489.231, 489.261) If steps for a manufactured home or mobile home are installed parallel to that manufactured home or mobile home on the side where the carport is located, the landing area of those steps must not be less than 22 inches wide
- 489.590 Purchase contracts and listing agreements: Form. (NRS 489.231, 489.7152)

 A purchase contract or listing agreement executed by a dealer must be on a form prescribed by the Administrator pursuant to NRS 489.7152.