

Background Paper 81-2

RENT CONTROL

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I

INTRODUCTION

WHY RENT CONTROL SHOULD END

- Because it is unchristian, un-American, and unconstitutional.
- Because it is against God and the Bible.
- Because it is atheist and Communist in origin.
- Because it is unfair, unjust, and discriminatory.
- Because it is arbitrary and unprincipled and unbusinesslike.
- Because it is dictatorial and tyrannical.
- Because it is basically and fundamentally wrong. It makes orphans out of tenants and slaves out of owners.
- Because it gives more money to the tenants to buy whiskey, to gamble, and to throw to the wind...*

Rent control often evokes strong visceral reactions, as the preceding passage attests. Rent control has been blamed for the fall of France, the fall of the democratic government of Austria, the decrease in the birth rate, and a good many other things. The praise or blame, hostility or applause predictably follow the economic self-interest and social philosophy of the individual. Debates over rent control carry both its proponents and its detractors into complex issues of economics, housing and taxation.

Though there may never be an ultimate resolution of these issues, rent control has existed in one form or another for centuries in scores of countries all over the world. Some sources suggest rent controls may have been used in ancient Rome about 150 B.C. and documentation of its existence dates from the Middle Ages in Europe.**

In the United States, state and local rent controls were enacted on a limited basis around the time of World War I.

*Statement by the Property Owners Council, Nashville, Tennessee, by Rep. Rich of Pa., 95 CONG. REC. A1469 (1949) quoted in Willis, A Short History of Rent Control Laws, 36 CORNELL L.Q. 54, 87-88 (1950).

**Ibid, pp. 87-88.

"Emergency" rent controls were also enacted during World War II and temporarily renewed by Congress until 1954. New York City, in contrast to the rest of the nation, has had continuous controls, except for the period between 1929 and 1942, since 1921. State and local controls have been in effect in New York since 1950.

The high levels of inflation, which began in the late 1960's and which are still very much with us today, led, in the early 1970's, to the introduction of rent controls in many areas of the United States. Most of these so-called second generation controls were in the megalopolis from Washington, D.C. to New England.

At the federal level, on August 15, 1971, President Nixon ordered a 90-day national freeze on wages and prices, including rents, pursuant to the powers granted him under the Economic Stabilization Act of 1970 (Public Law 91-379, 84 Stat. 799). This temporary freeze was replaced by a phase II economic stabilization program which permitted landlords (1) an annual increase equal to 2.5 percent of the base rent, (2) rent increases based on increases of state and local property taxes, (3) capital improvement increases, (4) base rent increases, and (5) hardship increases. Single family homes and units owned by landlords who owned not more than four rental units were exempt from these controls.

The termination of the phase II controls on January 12, 1973, resulted in the passage of more state and local rent controls. Today, according to the National Multihousing Council, seven states (New York, Maryland, Connecticut, Maine, Massachusetts, Louisiana and Arizona) and Washington, D.C. have statutes relating to rent control. It is said, however, that the statutes in Arizona and Louisiana are actually a means to preclude rent control in those states because they preempt rent control. Arizona's law (Arizona Revised Statutes 33-1329) says, in part:

A. Notwithstanding any other provisions of law to the contrary the state legislature determines that the imposition of rent control on private residential housing units by cities, including charter cities, and towns is of statewide concern. Therefore, the power to control rents on private residential property is preempted by the state. Cities, including charter cities, or towns shall not have the power to control rents.

B. The provisions of subsection A shall not apply to residential property which is owned, financed, insured or subsidized by any state agency, or by any city, including charter city, or town.

The National Multihousing Council also advises that over 250 communities throughout the country have rent control ordinances in effect. By one estimate, about one eighth of all U.S. rentals are under some kind of control.* Major cities with rent control ordinances include San Francisco, Los Angeles, New York and Boston. Other California communities having rent control include Berkeley, Beverly Hills, Campbell, Carson, Cotati, Davis, Hayward, Hawthorne, Hemet, Rialto, San Bernadino, San Jose, San Marcos, Santa Barbara County and Santa Monica. Several of those ordinances relate to mobile home parks.**

On June 30, 1980, the California voters rejected a rent related measure (Proposition 10) by a vote of 4,090,180 (64.6 percent) to 2,247,395 (35.4 percent). Those opposed to Proposition 10 argued that it would have "eliminated * * * renter * * * protections and made effective future protections impossible.***

*Fowler, George. "The Bitter Fruit of Rent Control." Nations Business, (August 1978), p. 63.

**A comprehensive review of rent control in California is contained in a December 4, 1980, California Association of Realtors memorandum. Information on the status of rent control legislation and ordinances in other states can be found in "The Spread of Rent Control - Rent Control Activities Through August 15, 1980," prepared by the National Multihousing Council. Both of these documents are available for review in the research division library.

***The official title and summary of Proposition 10 prepared by the attorney general says:

RENT, INITIATIVE CONSTITUTIONAL AMENDMENT. Declares rent control to be a matter of local government concern. Provides that rent control shall be imposed only by vote of the people through enactment of local ordinances. Prohibits state-enacted rent control. Permits annual rent increases based on Consumer Price Index and additional increases based on other specified factors. Requires that rent control ordinance establish a commission to resolve grievances involving rent increases. Exempts specified types of rental units from rent control. Prohibits landlord retaliation for exercise of tenant's rights. Repeals existing rent control ordinances as of date of next election. Fiscal impact on state or local governments: No state fiscal effect. Minor increases in local election expenditures. Possible increase in local government costs to administer landlord/tenant grievances.

COMPONENTS OF RENT CONTROL LAWS

Opponents of rent control have successfully attacked local measures on the ground that the state's delegation of police power is insufficient to allow such local enactments. Under the common law rule of municipal corporations, the state possesses all police power relating to any municipal affair, subject only to the federal or state constitutions. Thus, before a locality can enact rent control, the state must sufficiently delegate its police power to the municipality.

Decisions dealing with local rent control indicate that three factors play a role in determining whether a court will find a sufficient delegation of police power: (1) the source of the police power; (2) the language used in the delegation of police power; and (3) the judicial attitude towards rent control.

The literature defines four sources of police power which exist as possible bases for valid local rent control: the city charter, constitutional home rule, legislative home rule, and specific enabling legislation. Most state statutes dealing with rent control contain enabling provisions for local governments to adopt ordinances. Other principal components of rent control legislation include sections covering:

Emergency

Most rent control statutes and ordinances usually include "boiler plate" declarations that say there is an emergency in housing availability and describing the nature of the emergency. Vacancy rates, the trend in rent increases versus increases in operating costs, the percentage of income required to obtain decent housing, and patterns of housing construction and finance are all used to demonstrate the existence of an emergency. The Department of Housing and Urban Development advises that overall vacancy rates at five percent or below, or three percent or less for lower cost rentals, represent critical levels.

Until recent years, almost all courts have viewed the declaration of an emergency as a prerequisite to rent control legislation's constitutionality. Recently, however, several courts have rejected the housing emergency doctrine

and have upheld rent control measures even in the absence of a proven emergency.*

In any event, an emergency, by definition, is not permanent. Rent control statutes commonly have an automatic expiration date or a date certain at which the law is to be reviewed or renewed.

Exemptions

Most measures exempt new construction from controls. This is done, of course, to encourage new construction so as to alleviate the emergency housing situation. HUD by regulation since 1975 has asserted its right to ignore rent controls on any rental units it insures or for which it provides rent subsidies. Units renting to tourists are usually excluded as is luxury housing in complexes with a small number of apartments. Exemptions have been upheld by the courts so long as the classifications are reasonable.

Base Rents and Rollback Provisions

Almost every rent control measure specifies a date which determines the base-period rent. Rent increases are later computed using this figure. Often, the legislation contains a rollback provision selecting a date prior to the enactment of rent controls to set initial rent levels.

Rollback provisions are contained for two reasons. First, the rent charged on a prior date theoretically approximates the rent that would be paid in an open market without the upward pressures leading to rent control. Second, by setting the prior date early enough, the legislation can avoid incorporating landlords' anticipatory, last-minute increases and freezing them into controlled rental levels.

Rent Adjustments

Most rent control laws provide for rent increases. Such increases are supposed to guarantee landlords adequate income to meet mortgage payments, maintenance, operating expenses, taxes and yield a fair return on investment. What constitutes a "fair" return on investment can be problematical.

*See "Rent Control: A Practical Guide for Tenant Organizations" from the August 1978 San Diego Law Review.

Several alternative methods for rent adjustment are return on investment formulas, percentage increase with allowable pass-throughs, evaluation of individual cases by rent control boards, using the Consumer Price Index or a percentage thereof, and hardship rent adjustments.

Eviction Controls

Rent control measures often limit the permissible grounds for eviction and set procedures for local enforcement. It is suggested that eviction controls are a necessary adjunct, especially in times of housing shortages and rapidly increasing rents, if tenants are not to be intimidated if they complain about rent increases or inadequate upkeep.

Administration, Funding and Enforcement

Rent control measures usually provide for the administration of the controls. Rent adjustment can be placed with an administrator or with a review board. Rent control measures also include provisions for (1) funding the board, administrator and staff; (2) penalties and civil remedies; (3) notice and fair hearing for both landlords and tenants in compliance with minimum standards of due process; and (4) devices for preventing housing deterioration.

It should be noted that administration must be fair and responsive if a rent control law is to meet successfully a court challenge. Rollback provisions coupled with cumbersome adjustment procedures may render rent control legislation confiscatory and unconstitutional.*

III

Effects of Rent Control

Rent control studies, it has been observed, generally seem to support the point of view of those who finance or request them. In general, economists, representatives of financial institutions, landlords and other representatives of the business community oppose rent control and use economic and free market arguments to make their case against it. Often cited are articles or publications discussing the failure of rent control in other states.

*See Birkenfeld v. Berkeley, 550 p. 2d 1001 (1976), and City of Miami Beach v. Forte Towers, Inc., 305 So. 2d 764 (Fla. 1974).

The opponents arguments might be summarized, in part, by the following excerpt of an article written by Senator Thomas F. Eagleton for the September/October 1979 Journal of Property Management:

Rent control is a prime example of what might be called "panacea politics." It is a quick fix, an instant solution, which its proponents promise will miraculously knock down rents and put up apartments overnight. In practice, of course, just the opposite has proven true. Rent control has produced debacles, not miracles.

Controls have curbed free enterprise and clotted needed development in New York, Washington, D.C. and other cities. Instead of creating more housing, controls have led to slipshod maintenance. Instead of encouraging investment, controls have discouraged it. Instead of promoting preservation of buildings, controls have led to more buildings being boarded up and abandoned. As a result, tax bases have diminished. Neighborhoods have deteriorated. And, in the ultimate irony, rent control has severely wounded the persons whom controls are intended to help the most - senior citizens on fixed incomes, working families with small paychecks, students with part-time jobs. While in the short run, controls may appear to help these renters, in the long run, controls are a trap.

Proponents of rent control usually point out their problems in obtaining suitable housing, at rates they can afford, during times of skyrocketing housing and rental costs. They say that however strong the arguments that rent control is inimical to tenants in the long-term, the fact is that in the short-term it does help many people who are pinched by inflation. Its immediate effect is clear: It keeps rents down. No argument about the long-term can impress poor people (or indeed tenants as a whole) as much as this fact, because paying rent is a short-term problem: It happens every month.

A report done for the California Department of Housing and Community Development is often cited by those who express the opinion that "modern" rent controls do not produce the adverse effects claimed by opponents of rent control. The report says, in part:

The major findings of this updated report are that no evidence of statistical significance can be found to support the contention that short-term moderate rent

control * * * has led to a reduction in conventionally-financed multi-family residential construction, a decline in maintenance, an erosion of the tax base, relative to non-controlled cities, or an increase in abandonments or demolitions. Those studies analyzed since the appearance of the 1976 report are characterized by data rendered suspect because of non-representative sampling and use of highly selective statistics.*

The following is a summary of certain of the arguments which have been advanced for and against rent control.

Arguments Against Rent Control

1. If economic conditions are such that some people cannot afford rents, the solution is society's burden, not the burden of only landlords. 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 uncondusive to investment in new apartment 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 Massachusetts.**

*Gilderbloom, John. The Impact of Moderate Rent Control in the United States: A Review and Critique of Existing Literature, California Department of Housing and Community Development, (March 1978), p. 1.

**For a complete treatment of the history of rent control in New York and recommendations for changes to those controls see the Report of the New York State Temporary Commission on Rental Housing which is available in the research division library. This and other articles listed in the selected readings section of this report and available in the library contradict, to some extent, this criticism.

6. Rent controls are expensive to administer and the expense is borne by all taxpayers.
7. Rental housing is not particularly profitable. Controls make the situation intolerable.
8. A free market is the most effective way of dealing with the high rent increase problem.
9. Rent controls negatively affect the community tax base.
10. Private agreements, such as lease arrangements or contracts specifying the terms under which rents may be raised can alleviate the necessity for rent controls.
11. The state should encourage the development of new rental housing through grants, subsidies or tax incentives. Increasing the amount of available rental housing would assist the normal free market mechanism to favorably affect rent levels.
12. If the state would encourage the rapid design and construction of adequate sewer treatment facilities and water supply, this would alleviate the housing shortage which is hurting most citizens.

Arguments For Rent Control

1. Apartment vacancy rates in Nevada's larger communities are so low that mobility is restricted. Tenants must pay exorbitant rents or pay the expense of moving.
2. In times of severe housing shortages tenants have no choice but to pay the higher rates.
3. Rents have increased dramatically in recent years but the pay of low income persons has not kept pace with rents.
4. Rents have been raised far beyond the level necessary to cover increased costs to landlords.
5. Landlords exploit housing shortages.
6. Controls restore rents to a level fair to both tenants and landlords.
7. Housing supply 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 rent increase that "competition will take care of the problem" offers little comfort or help.
9. Large rent increases are caused, in part, by the rapid turnover of ownership of rental housing and 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, who reap the benefit of Nevada's economy and then leave the state.

IV

RENT CONTROL IN NEVADA

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 dealt with the topic of mobile home park space rent review. A discussion of the 1979 legislature's activity pertaining to the mobile home park rent control issue is contained in the appendix of this background paper.

Given Nevada's legal and political traditions, there is little doubt that 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 final report of the legislative commission's subcommittee which studied the problems of owners and renters of mobile homes during the 1979-81 interim contains recommendations to increase the supply of mobile home spaces and thereby obviate the need for government intervention into the rent issue. These recommendations relate to financial and technical assistance for mobile homes and mobile home parks and zoning.

The report also notes the subcommittee's view that rent review or control should be addressed at the local level. Speaking to this matter, the subcommittee's report says, in part:

* * * 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.*

*It is expected that a survey of Nevada's mobile home park landlords and tenants being performed by Clark County Community College at North Las Vegas, Nevada, will provide information about rent increases in mobile home parks. A report discussing this survey is expected to be completed during the early part of the 1981 legislative session.

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 widespread 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's report concludes that there will never be the need for mobile home space rent review if the 1981 legislature enacted its recommendation. The report says:

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.

Similar logic could be applied to other forms of rental housing.

SUGGESTED READING*

Administrative Regulations for the Section 8 Housing Assistance Payments Program--Existing Housing (24 CFR 882) HDR RF-130 (1-29-79).

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Baar, Kenneth K. "Rent Control in the 1970's: The Case of the New Jersey Tenants' Movement." The Hastings Law Journal, (January 1977), 631-683.

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Gilderbloom John. The Impact of Moderate Rent Control In The United States: A Review and Critique of Existing Literature. California Department of Housing and Community Development. (March 1978).

*These and other publications pertaining to rent control are available for review in the research division's library. Also available are copies of relevant state statutes, local ordinances and court cases.

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- "Rent and Eviction Regulations." Rent Control Division, Office of Rent and Housing Maintenance, New York City Department of Housing Preservation and Development. (September 1, 1977).

"Rent bills defy signs of a slow down." Business Week, (May 12, 1980), 30-31.

Rent Control: a non-solution. Department of Economics and Research, National Association of Realtors, (1977).

Rent Control: An Interim Report to the Assembly Committee on Housing and Community Development. California Assembly. September 15, 1975.

Rent Control Ordinances as of November 7, 1979. Division of Research and Policies Development, California Department of Housing and Community Development.

"Rent Control Status Report." December 4, 1980, memorandum from Pat Stitzenberger to Susan De Santis of the California Association of Realtors.

Rent Controls and the Financial Community. Economics and Research Division, National Association of Realtors, (June 1980).

Rent Regulation in Mobile Home Parks: Assembly Bill 2820 - 1978 (Wray). California Assembly Committee on Housing and Community Development. (November 1, 1978).

Report of the New York State Temporary Commission on Rental Housing. Vol. I and II. (March 1980).

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Stagen, Thomas. "Rent Indexing: A Rent Control Alternative." Journal of Property Management, 302-303.

"The Spread of Rent Control - Rent Control Activities Through August 15, 1980." National Multi Housing Council.

VI

APPENDIX

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 they will be covered 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 or 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 to 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.