

**PROPOSED REGULATION OF THE MANUFACTURED
HOUSING DIVISION OF THE DEPARTMENT OF
BUSINESS AND INDUSTRY**

LCB File No. R114-97

September 17, 1997

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

AUTHORITY: §§2-7, NRS 489.321; §8, NRS 489.481.

Section 1. Chapter 489 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. *An applicant for the renewal of the dealer's, rebuilder's, serviceman's or installer's license issued to him by the division pursuant to chapter 489 of NRS must submit to the division with his application for renewal:*

1. The fee required pursuant to NAC 489.360;

2. An audited or certified financial statement of the licensee;

3. The bank statements for:

(a) The operating account of the licensee for the immediately preceding 6 months if the licensee is a serviceman or installer; or

(b) The trust account of the licensee for the immediately preceding 6 months if the licensee is a dealer or rebuilder; and

4. A copy of the business license issued for the licensee's business by the county city or town in which the licensee's business is located.

Sec. 3. *1. Except as otherwise provided in subsection 2, a dealer, installer, manufacturer, rebuilder, serviceman or limited serviceman is responsible for the operation of the main office of the licensee's business in accordance with the provisions of this chapter and chapter 489 of NRS.*

2. If it is not feasible for a dealer, installer, manufacturer, rebuilder, serviceman or limited serviceman to exercise direct supervision over the main office, it must be managed by a corporate officer, partner or responsible managing employee.

Sec. 4. NAC 489.310 is hereby amended to read as follows:

489.310 1. The division may require an applicant to show such a degree of experience, financial responsibility and such general knowledge of this chapter, chapter 489 of NRS, federal mobile home construction regulations, the safety, health, finance and lien laws of [Nevada] *this state* and the rudimentary principles of the mobile home business, as the division [may deem] *deems* necessary for the safety and protection of the public.

2. An applicant may demonstrate his experience and knowledge by [:

(a) *A personal appearance or the appearance of a responsible managing employee, if the business is owned by one person; or*

(b) *A partner, corporate officer or a responsible managing employee, if the business is owned by a partnership or a corporation.] submitting to the division:*

(a) *Evidence of his prior employment or other experience in the occupation for which the applicant wishes to obtain a license; or*

(b) *Proof that he has completed not less than 30 semester hours in courses of study which are approved by the division.*

3. An applicant for a license as a dealer, manufacturer, rebuilder, serviceman, limited serviceman or installer must **[furnish such]** *submit to the division:*

(a) An audited or certified financial statement of the applicant that is prepared less than 60 days before it is submitted to the division;

(b) A copy of the federal income tax return filed by the applicant for the preceding calendar year; and

(c) 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 **[such]** *the personal assets of the officers, directors or stockholders* in determining the financial responsibility of the corporation.

[4.] 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 business for not less than 120 days.*

6. The division will 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 [Nevada] *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;
- (l) 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.

[5.] 7. An applicant for a new [or used] manufactured home or commercial coach dealer's license must show proof that there is cash on deposit in a Nevada financial institution in the amount of approximately [\$10,000] \$50,000 before the division may issue a license.

[6.] 8. *An applicant for a used manufactured home or commercial coach dealer's license must show proof that there is cash on deposit in a Nevada financial institution in the amount of approximately \$25,000 before the division may issue a license.*

9. An applicant for a new manufactured home dealer's license must submit a letter of intent from a financial institution showing that the applicant will be granted a specified amount of credit *of* not less than \$100,000 from that institution for the flooring of manufactured homes or commercial coaches.

[7.] 10. An applicant for an initial license must submit to the division a copy of any similar license issued by another state.

[8.] 11. In applying for a dealer's, serviceman's, limited serviceman's or installer's license, a partnership or corporation must file a certified or verified copy of its partnership agreement or articles of incorporation with the division.

Sec. 5. NAC 489.315 is hereby amended to read as follows:

489.315 1. Any real estate broker who lists, advertises for sale or sells a manufactured home listed by another person incident to the sale of real property must be licensed as a limited used manufactured home dealer.

2. An application for a limited used manufactured home dealer's license must be upon the form supplied by the division.

3. An applicant must be a real estate broker in good standing and licensed by this state as a prerequisite to applying for a license. *The applicant must submit with his application a copy of his license as a real estate broker in this state.*

4. Any action by this state to suspend, revoke, cancel, withdraw or otherwise invalidate the real estate broker's license automatically has the same effect upon the limited used manufactured home dealer's license.

5. The term of the license runs concurrently with the term of the applicant's real estate license.

Sec. 6. NAC 489.320 is hereby amended to read as follows:

489.320 1. Any person employed by a dealer to act or exercise authority in connection with the dealer's business must be licensed as a salesman to:

(a) List manufactured homes, mobile homes or commercial coaches for sale.

(b) *[Act as a general manager, sales manager or otherwise direct or supervise the activities of salesmen.]*

(c)] Close the sale of a manufactured home, mobile home or commercial coach, including the signing of the sales contract.

2. A licensee may not employ a person who is required to be licensed under chapter 489 of NRS unless that person is so licensed.

3. If a manufactured home or commercial coach dealer or rebuilder fails to renew his license, the licenses of all salesmen whom he employs will be [suspended] *placed on inactive status* immediately until the dealer or rebuilder renews his license or an application for transferring the salesman's license is made and the required fees *are* paid.

4. If the license of a manufactured home or commercial coach dealer or rebuilder is not renewed, or is suspended or revoked, the licensee shall deliver immediately to the division all *of* the licenses [of] *issued to* his salesmen. In such a case, a salesman may, by applying and paying the required fee, transfer to the employment of another dealer or rebuilder.

Sec. 7. NAC 489.325 is hereby amended to read as follows:

489.325 1. Any person who acts or is employed by a licensed installer, dealer, rebuilder, limited serviceman or serviceman as a responsible managing employee must be licensed.

2. An application for a license must be upon the form supplied by the division.

3. An applicant for a license must show proof [of] *that he has* 2 years' experience *within the previous 4 years* in the occupation for which he will be a managing employee . [as a prerequisite for a license.]

4. If the application is approved, the division will issue *to* the applicant a license containing his name and the address and name of the licensed installer, dealer, rebuilder, limited serviceman or serviceman employing him.

5. If a licensed installer, dealer, rebuilder, limited serviceman or serviceman fails to renew his license, or his license is suspended, the licenses of all his responsible managing employees are automatically [suspended] *placed on inactive status* until such time as the installer or serviceman renews his license, the suspension is canceled or the responsible managing employee's license is transferred to the employment of another installer or serviceman.

Sec. 8. NAC 489.360 is hereby amended to read as follows:

489.360 1. The following fees for the issuance and renewal of a license will be charged:

- (a) Biennially, for a license as a dealer\$385
 - For each additional officer or partner..... 35
 - Biennially, for each branch office 95
- (b) Biennially, for a license as a limited dealer 35
- (c) Biennially, to do business as a manufacturer of manufactured homes,
mobile homes, commercial coaches or travel trailers
440
- (d) Biennially, for a rebuilder's license 385
 - For each additional officer or partner..... 35
 - Biennially, for each branch office 95
- (e) Biennially, for a serviceman's or an installer's license 110
 - For each additional officer or partner..... 35
 - Biennially, for each serviceman's or installer's branch office..... 95
- (f) Biennially, for a license as a salesman of manufactured homes, mobile
homes or commercial coaches
60

- (g) Biennially, for a responsible managing employee’s license 70
- (h) For each examination of an applicant for a license 25
- (i) For a change of address by a licensee 25
- (j) For a change of name by a licensee..... 25
- (k) To activate a license from inactive or suspended status..... 50

2. If a licensee fails to apply for [a] *the* renewal of his license [within 30 days after the expiration date of] *before* the license [,] *expires*, he must pay a fee equal to one and one-half times the fee otherwise required for renewal. If a licensee does not apply for [a] *the* renewal of his license within 30 days after the [expiration of the license,] *license expires*, he must retake and pass the applicable oral or written examination 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.