

LCB File No. R177-09

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

Explanation – Matter in *Italics* is new, matter in brackets ~~omitted~~ is material to be omitted.

AUTHORITY: NRS 489.285, NRS 489.231, NRS 461.170, NRS 118B.024

A REGULATION defining new and used manufactured home distributor; when factory built housing, manufactured buildings and modular building become real property; defining the scope of a audit; requirements for annual trust account reconciliations; updating certain codes and standards; and establishing requirements for approval for alterations, repairs, installation on a perimeter foundation or support system; defining the term dismantled for the purpose of abandoned homes in mobile/manufactured home parks.

Chapter 118B is hereby amended by adding thereto new section number 1 to read as follows:

Sec 1. *“Dismantled” defined (NRS 118B.010) “Dismantled” means a home that has been taken out of compliance with the adopted standards by being torn down, disassembled or destroyed in a manner where it can no longer be rebuilt or rehabilitated into a mobile/manufactured home.*

Chapter 489 of NAC is hereby amended by adding thereto new sections 2 through 7 to read as follows:

- Sec 2.** *“New manufactured home distributor” defined. (NRS 489.231) “New manufactured home distributor” means any person who:*
- (a) Is licensed under the provisions of this chapter and chapter 489 of NRS;*
 - (b) Has an authorized franchise, in a form approved by the Division, from a manufacturer to engage in the business of sale or distribution of new manufactured homes to a licensed dealer for the purpose of resale; and*
 - (c) Is engaged in the business of sale or distribution of new manufactured homes or mobile homes to a licensed dealer for the purpose of resale.*
- Sec. 3.** *“Used manufactured home distributor” defined. (NRS 489.231) “Used manufactured home distributor” means any person who is:*

(a) Licensed as a used manufactured home distributor pursuant to this chapter and chapter 489 of NRS.

(b) Engaged in the business of purchasing used manufactured homes or mobile homes for the purpose of distributing to a dealer licensed under the provisions of this chapter for the purpose of resale;

Sec. 4. *Factory-Built Housing, Manufactured Buildings and Modular Buildings become real property when:*

1. Factory-Built Housing, Manufactured Buildings and Modular Buildings constitute real property if it becomes, on or after July 1, 1979, permanently affixed to land which is:

(a) Owned by the owner of the factory-built housing; manufactured building or modular building or

(b) Leased by the owner of the factory-built housing, manufactured building or modular building if the factory-built housing, manufactured building or modular building is being financed in accordance with the guidelines of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the United States Department of Agriculture, or any other entity that requires as part of its financing program restrictions on ownership and actions affecting title and possession similar to those required by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the United States Department of Agriculture. (NRS 361.244(4)).

2. Permanently affixed to land will be achieved with the issuance of a certificate of occupancy, the finale inspection sign-off or any other action by the Division or agency of enforcement allowing the unit to be occupied by the “first user”. As used in this section, “agency of enforcement” has the meaning ascribed in NAC 489.500.

Sec 5. *NAC 489 Trust Account Reconciliation. (NRS 489.724) Each dealer shall submit annually an accounting of their trust account on a form prescribed by the Division. The Trust Account reconciliation and supportive documents may be submitted either by hard copy or electronically and shall include;*

1. *A copy of each sales transaction during the filing period. Copies of documents from the sales transaction files include, but not limited to;*
 - (a) *The buyers purchase agreement along with any addendums, special agreements or attachments.*
 - (b) *Any prepaid expenses related to the sales transaction.*
 - (c) *The ledger card containing all financial transactions including, but not limited to, the deposit/down payments, direct expenses related to the sale, proceeds of loans, proof of payment of an outstanding security interest and final transfer of funds to the dealer's operating account.*
 - (d) *The title or title documents to show clear title and sale ability, including the Dealers Report of Sale.*
 - (e) *Copies of the reconciled Trust Account Bank Statements.*
 - (f) *Any other documents and or correspondence related to the sales transaction that the Division may request.*
2. *As required under NRS 489.729, the dealer must provide proof that he has satisfied the outstanding security interest within 30 days on a mobile home, manufactured home, manufactured building or commercial coach taken in trade on another such home, building or coach.*

Chapter 489 of NAC Sections 6 to 7 are Amended to read as follows:

Sec. 6. NAC 489.177 is hereby amended to read as follows:

Adoption by reference of certain codes and standards for commercial coaches and accessory structures; modifications. (NRS 489.231, 489.241, 489.261) The Administrator hereby adopts by reference the following codes and standards for commercial coaches and accessory structures:

1. The International Building Code, ~~2003~~ 2009 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~~ 2009 edition;
 - (b) Any reference to the International Electrical Code shall be deemed a reference to the National Electrical Code, ~~2002~~ 2008 edition;

(c) Any reference to the International Mechanical Code shall be deemed a reference to the Uniform Mechanical Code, ~~2003~~ 2009 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~~ 2009 edition, may be obtained from the International Code Council, by mail at 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795, or at the Internet address <http://www.iccsafe.org>. The price is \$69 for members and \$86 for nonmembers.

2. The Uniform Plumbing Code, ~~2003~~ 2009 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 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address <http://www.iapmo.org>. The price is \$64 for members and \$89 for nonmembers.

3. The Uniform Mechanical Code, ~~2003~~ 2009 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 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address <http://www.iapmo.org>. The price is \$64 for members and \$89 for nonmembers.

4. The National Electrical Code, ~~2002~~ 2008 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, or at the Internet address <http://www.nfpa.org>. The price is \$65.25 for members and \$72.50 for nonmembers.

5. The NFPA 101: Life Safety Code, ~~2003~~ 2009 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, or at the Internet address <http://www.nfpa.org>. The price is \$62.55 for members and \$69.50 for nonmembers.

6. The International Energy Conservation Code, ~~2003~~ 2009 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, or at the Internet address <http://www.iccsafe.org>. The price is \$23 for members and \$29 for nonmembers. (Added to NAC by Mfd. Housing Div. by R192-05, eff. 9-18-2006)

Sec. 7. NAC 489.486 is hereby amended to read as follows: (NRS 489.231, 489.241)

1. A person shall not:

(a) Construct a room, garage or other addition that is freestanding ~~or~~ *and* adjoined to a manufactured home or mobile home if the room, garage or other addition is directly accessible from the manufactured home or mobile home *unless the person first obtains approval from the Division*; or

(b) Alters, *repairs* or reconstructs the structural, electrical, mechanical, roofing or plumbing system of a manufactured home or mobile home, unless the person first obtains approval from the Division.

(c) Installs or places a manufactured or mobile home on a perimeter foundation or support system unless the person first obtains approval from the Division.

2. The application for approval must be on a form provided by the Division and include:

(a) Two copies of the plans for the work to be performed;

(b) A copy of each applicable certificate, label or permit; and

(c) Any other document required by the Division or local governing body.

3. Any construction, addition, alteration or reconstruction must:

(a) Comply with all applicable technical codes; and

(b) Plans must be approved by the Division prior to submitting to local jurisdictions;

~~(b)~~ *(c) The construction, addition, alteration or reconstruction must ~~be~~*

completed in accordance with the plans as approved by the Division and the local governing body.

Chapter 461 of NAC Sections 8 to 9 are Amended to read as follows:

Sec. 8. NAC 461.205 is hereby amended to read as follows:

1. The International Residential Code for One- and Two-Family Dwellings, ~~[2003]~~ **2009** 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]~~ **2009** 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, ~~[2002]~~ **2008** edition;

(c) Any reference to the International Mechanical Code shall be deemed a reference to the Uniform Mechanical Code, ~~[2003]~~ **2009** 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, ~~[2003]~~ **2009** edition, may be obtained from the International Code Council by mail at 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5771, or at the Internet address <http://www.iccsafe.org>. The price is \$54 for members and \$72 for nonmembers.

2. The International Building Code, ~~[2003]~~ **2009** 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]~~ **2009** edition;

(b) Any reference to the International Electrical Code shall be deemed a reference to the National Electrical Code, ~~[2002]~~ **2008** edition;

(c) Any reference to the International Mechanical Code shall be deemed a reference to the Uniform Mechanical Code, ~~[2003]~~ **2009** 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]~~ 2009 edition, may be obtained from the International Code Council, by mail at 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795, or at the Internet address <http://www.iccsafe.org>. The price is \$69 for members and \$86 for nonmembers.

3. The Uniform Plumbing Code, ~~[2003]~~ 2009 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 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address <http://www.iapmo.org>. The price is \$64 for members and \$89 for nonmembers.

4. The Uniform Mechanical Code, ~~[2003]~~ 2009 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 East Philadelphia Street, Ontario, California 91761-2816, or at the Internet address <http://www.iapmo.org>. The price is \$64 for members and \$89 for nonmembers.

5. The National Electrical Code, ~~[2002]~~ 2008 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, or at the Internet address <http://www.nfpa.org>. The price is \$65.25 for members and \$72.50 for nonmembers.

6. The NFPA 101: Life Safety Code, ~~[2003]~~ 2009 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, or at the Internet address <http://www.nfpa.org>. The price is \$62.55 for members and \$69.50 for nonmembers.

7. The International Energy Conservation Code, ~~[2003]~~ 2009 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, or at the Internet address <http://www.iccsafe.org>. The price is \$23 for members and \$29 for nonmembers.

Sec. 9. NAC 461.300 is hereby amended to read as follows:

1. The Division will inspect the plant of each manufacturer who has submitted a plan for the Division's approval.
2. Each unit of factory-built housing, manufactured building or modular component must be inspected at least once during its construction. These inspections will be performed by a representative of the Division unless the manufacturer contracts to have the inspections performed by:
 - (a) A government agency; or
 - (b) A private agency, approved by the Administrator to perform such inspections.
3. *If the Division or private inspection company documents an unusual number of non-conformances for a manufacturer, the Division may order an increased number of inspections per unit to ensure compliance with the plans and specifications.*