

Assembly

1- 0325

GOVERNMENT AFFAIRS COMMITTEE

MINUTES OF THE MEETING

MARCH 5, 1975

MEMBERS PRESENT: CHAIRMAN DINI
MR. CRADDOCK
MR. HARMON
MR. MAY
MR. MOODY
MR. SCHOFIELD
MRS. FORD
MR. YOUNG

MEMBERS ABSENT: VICE-CHAIRMAN MURPHY

ALSO PRESENT: Mr. Earl T. Oliver

(The following bills were discussed at this meeting: S.B. 147, S.B. 148, S.B. 149, A.B. 200, A.B. 250, A.B. 79, A.B. 81, A.B. 172, A.B. 177, A.B. 179, A.B. 289, A.B. 320, A.B. 56, BDR 23-502 and 23-50

Mr. Dini called the meeting to order at 9:00 A.M.

The first bill on the agenda to be discussed was S.B.147. Mr. Earl T. Oliver testified on this bill. Mr. Oliver stated that this bill came out of the audit division of the Legislative Counsel Bureau. He stated that the purpose of this bill was to change the review and the authority from his office or from him personally to the Interim Finance Committee for the review of the salary augmentations that are made in the budget office. He stated that when someone leaves the state service and there is not sufficient money in the budget to pay for accumulated annual leave and all other termination pay which is not in the budget, then the clerk of the board can transfer money from the reserve statutory contingency fund. He stated that the history went back to 1967. Mr. Oliver stated that in the interest of moving and providing some action without a very thorough investigation, they may be participating in a management action that they might take exception to in an audit. He stated that there is a conflict. He stated that Mr. Barrett had appeared before the Senate Government Affairs Committee and that he was opposed to this bill. He stated that in all fairness to Mr. Barrett, he wanted the committee to realize this.

Mrs. Ford asked if Mr. Barrett wanted to keep it the way it was.

Mr. Oliver stated that he does not want it messed with.

1- 0326

Mr. Oliver stated that they don't put very much of an arm on him. He stated that if someone retires in November, there is a lot of money in the budget. He stated that a man may have \$2,000 worth of termination money so that they would pay him. He stated that they can either not fill the position and generate some salary savings. He stated that very often Mr. Barrett will require them to do that. Mr. Oliver stated that if he cannot do that and if it is an emergency, such as the warden, they will put someone in the position right away. Mr. Oliver stated that there was a legislative committee that functioned in a review capacity. He stated that it was not a staff function. He further stated that it was the responsibility of the legislature. He did state that they could have a conflict in giving the approval or authority.

Mr. Dini stated that the Interim Finance Committee may never meet and asked Mr. Oliver what they would do then.

Mrs. Ford stated that they would have to meet more often under this.

Mr. Oliver stated that they did not have to do this on a 1 on 1 basis on request. He stated that in general the whole list could be approved. Mr. Oliver informed the committee that one time they had a request that included 14 people, and that they people had all terminated within a month or so. He stated that they assigned an auditor to it and he worked on it for about a week and a half examining payroll records and reviewing what they had available to determine the validity of the claim. He stated that if that was not done, they could do something that they would regret.

Mr. Young stated that the State Board of Examiners did not meet very often. Mr. Oliver answered affirmatively.

Mrs. Ford asked Mr. Oliver who, under his proposal, would prepare the recommendation to make the decision.

Mr. Oliver stated that they had staff. He stated that they have the availability of the financial analyst.

Mr. Oliver stated that by shifting to the legislature, the approval and the control of the money would be in the contingency fund. He stated that it was part of the budget process.

Mr. Dini questioned Mr. Oliver with regard to Section 353.262 and asked what the deletion was here.

Mrs. Ford stated that that is what we got in Section 1.

Mr. Oliver stated that that was just the first part and he stated that this bill takes out 353.262.

Mr. Dini asked why he needed the bill.

Mr. Oliver stated that they did not have any authority over them. He stated that if the governor says to have someone \$2,000 and we say we do not approve they will go ahead and do it anyway. He stated that they are not in the budget game. They are in post audit. He stated that executive action should be the responsibility of the legislative committee and not a staff action.

Mr. Dini asked if there were any more questions with regard to S.B. 147.

The committee then proceeded to S.B. 148. Mr. Earl Oliver testified with regard to S.B. 148. He said that he hoped for the committee's favorable consideration. He stated that there were two things in this bill. The first part is legislative auditor shall make an affidavit. He stated that it involved going before a magistrate and testifying and he further stated that it was archiac. He stated that the report is what they prepare and this is just needed to conform the law to what they do. He stated that on the back portion of this bill, they are back into this interim finance committee fund and he further stated that this probably should have been in the other bill. He stated that in paragraph 3 on the second page of the bill on line 34 that there is a reference to the fund. He stated that that should be eliminating this duplication of the fund created in the general fund. He stated that it was redundant and that it does not make any sense. He stated that the contingency fund is a separate fund and a separate entity and not in the general fund.

Mr. Oliver stated that it seems appropriate to make this technical change that would clarify that the contingency fund is a separate entity by itself.

Mr. Dini asked what paragraph 4 had to do with it.

Mr. Oliver stated that that was just the regulatory language that had to do with the authority of the committee in granting pay raises. He stated that it was a limitation on the committee and not on the fund.

Mr. Dini asked if it limits Interim Finance.

Mr. Oliver stated that all their bill did was to take the fund out of the general fund.

Mr. Dini asked Mr. Oliver to explain the paragraph.

Mr. Oliver stated that this is to be up-dated because it was a limitation from last session to this session. He stated that the law is restrictive on what interim finance can do. He further stated that he felt that there may be some necessity during the 1973 to 1975 period of regulating money from the contingency fund to meet some of those shortages. He stated that the way it was presently structured that they felt that they could not do this.

1-0378

Mrs. Ford stated that this is just an open ended exemption. She stated that it be put in another bill.

Mr. Dini asked if there were any further questions.

The next bill on the agenda was S.B. 149. Mr. Oliver testified on this bill and stated that this bill is one that is a technical bill that creates a situation that come out of the last legislature. He stated that there were four professional boards created and in the section of the law that deals with the annual audits of professional boards, they are exempt urom his audit program. He stated that the four boards were:

Hearing Aid Board
Board of Shorthand Reporters
Board of Chinese Medicine
Board of Certified Marriage Counselors.

He stated that this bill would put them all in a position to have an annual audit and to file a report with them.

Mr. Young asked if this was new language in this bill and stated that it did not show it.

Mr. Oliver stated that it was.

Mr. Dini asked if there were any questions.

Mr. Schofield referred to subsection 2 and asked if they were all uniform.

Mr. Oliver stated that they had published a guide that most of the accounting firms utilize, but that as a practical matter they all do not use a uniform report. Each firm has its own way of putting a package together. He stated that the guidelines do not really have anything to do with the uniform report. He stated that they have to do with the standards of the report. He further stated that they all meet the professional standards of accomplishing an audit and that there was no uniform style or order.

Mr. Craddock stated that Chapter 656 is added which brings a fourth group into play - shorthand reporters.

Mrs. Ford stated that she did not see why section 2 was needed.

Mr. Oliver stated that they have another bill and further stated that John Crossley had been working on this bill that states where this bill should be amended. Mr. Oliver stated that he would get back to this.

1- 0329

Mr. Craddock questioned the Board of Marriage.

Mr. Oliver stated that it was recommended that they improve their accounting and they stated that they would and that recommendations were made on how to improve their accounting.

Mr. Dini then read from portions of the statutes.

Mr. Oliver stated that Section 2 was a redundancy and stated that maybe it was just added on.

Mr. Schofield stated that if you named one board, all of them should be named.

Mr. Oliver indicated that that was their intention to include Shorthand Reporters and to require them to have an annual audit by a contract auditor and to file a report with them.

Mr. Dini asked if there were any questions. Mr. Dini asked Mr. Oliver if A.B. 200 was his bill. Mr. Dini then asked Mr. Craddock and Mr. Moody about A.B. 200 and what the problem was. Mr. Craddock stated that they have not had time to schedule a meeting and stated that they would report back tomorrow morning. Mr. Oliver then referred to the handout previously given to the committee members with regard to A.B. 200, which was included in the minute book with the meeting of February 24, 1975.

Mr. Dini stated that we did not want to completely wipe out the audit on the employers.

Mr. Oliver stated that they felt that they had the authority to do that any time. They do not feel that this takes anything away from their authority. What it does is to relieve them of a mandatory requirement to accomplish a comprehensive audit on employers contributions over an indefinite period of time.

Mr. Oliver stated that they have never proposed that this audit be accomplished. Their discussion on this was that it be put into the law as a requirement and that there was no funding provided for it and that they have had to spend substantial amounts of money to do this and that they have had good cooperation and participation by the retirement board but it is important that this be identified as something that they need staff to do and that money be provided for it and that this is a fundamental responsibility of the retirement board. These audits should be made on more than just a sometime or periodic basis. They should be made routinely, but that they should be made by the retirement board because it is a function of collection of the coment that the employers and the employees should be contributing to the system and that is not a legislative management responsibility - that is a responsibility of the Public Employees Retirement Board and they should have staff people to get everything they are entitled to, just as the Tax Commission has auditors to go out and determine that all of the people are paying and turning in their sales tax or the Gaming Control Board has auditors to go into the field and

determine that the licensees are remitting their taxes timely. This is the same type of staff responsibility that they see in this employer contribution area. They have no objection to doing it and they will have done it by June. We will have looked at and tested every employer's records at least one time and that would constitute a comprehensive review and then it would be determined if this was something if the legislature wants to continue an active roll in. Mr. Oliver stated that he does not think that there is any bar now from the legislative commission directing them to audit employers retirement board or any part of it.

Mr. Dini stated that 286 should not be taken out of it. He stated that section 3 would have to be deleted.

Mrs. Ford stated that she thought it should be made to read "may".

Mr. Oliver stated that what they were suggesting is that there just be a statement in here. He suggested the following language:

"That there be examinations or that the Board provides for examinations of public employers contribution records."

He stated that if it was required, that they could provide for them on a contract basis, on a staff basis or maybe they could do it.

The real point of this whole thing Mr. Oliver stated, is that the legislative fund is financing these audits. They have done so for two years and it is a substantial sum of money and the question is whether or not the legislature wants to continue to finance it, or whether or not the legislature wants to direct the Board to finance these out of their own administrative funds.

Mr. Dini stated that it repealed the whole section.

Mr. Oliver stated that if the language was changed to provide for these, that would require them to do them or to have them done, but it would not require that the legislative auditors make these examinations, and he stated that he thought that they had the Legislative Commission's authority to go in and do an audit any time they pleased, of any part of the system, not just the employers contribution act.

Mr. Dini asked if there were any questions.

The committee then discussed S.B. 147, and Mrs. Ford stated that she could see some problems with this bill and the way it was being done. Mrs. Ford stated that she would hate to see someone wait to receive money if they deserved the money now.

Mr. Dini asked what the choice of the committee was.

Mrs. Ford made a motion for a "do pass" on S.B. 147, which was seconded by Mr. Moody. Mr. Dini asked if there were any questions. Mr. Dini asked if all of the committee members were in favor of the "do pass" motion on S.B. 147. Mrs. Ford, Mr. Harmon and Mr. Moody were in favor of the "do pass" motion. Mr. Young, Mr. Dini, Mr. Craddock, Mr. May and Mr. Schofield were opposed to the do pass motion. Chairman Dini stated that the motion did not receive a majority vote. Mr. Dini asked if there was another motion. Mr. Craddock moved for an indefinite postponement on S.B. 147, which was seconded by Mr. Schofield. Mr. Dini then asked which of the committee members were in favor of the indefinite postponement of S.B. 147. Mr. Young, Mr. Dini, Mr. Craddock, Mr. May and Mr. Schofield were in favor of the indefinite postponement of S.B. 147. Mrs. Ford, Mr. Harmon and Mr. Moody were not in favor of the indefinite postponement of this bill. The committee vote for indefinite postponement was 5-3 in favor of indefinite postponement.

The next bill to be discussed was S.B. 148. Mrs. Ford made a motion for a "do pass" which was seconded by Mr. Craddock. All of the committee members were in favor of the motion and it passed unanimously.

The next bill to be discussed was S.B. 149. Mrs. Ford made a motion for an "amend and do pass", by deleting Section 2, which was seconded by Mr. May. All of the committee members were in favor of the motion and it carried unanimously.

The next bill to be discussed was A.B. 200. Mr. Craddock made a motion for a "do pass" which was seconded by Mr. Moody. All of the members were in favor of the motion and it was unanimously carried.

The committee next discussed A.B. 250. Mrs. Ford and Mr. Young passed out a copy of the amendment to this bill to the committee members, a copy of the amendment is attached to the minutes of this meeting and made a part hereof. The committee then discussed the amendment.

Mr. Young made a motion for an "amend and do pass" on A.B. 250, which was seconded by Mr. Craddock. All of the committee members were in favor of the motion and it was unanimously carried.

The next bill to be discussed was A.B. 79. Mr. Dini read a letter to the committee from Mr. Hancock. Mr. Young stated that he did not think it was a good bill and made a motion for indefinite postponement, which was seconded by Mr. Schofield. All of the committee members were in favor of the motion and it was unanimously carried.

The committee next discussed A.B. 81. Mr. Harmon made a motion for a "do pass" which was seconded by Mr. Craddock. All of the committee members were in favor of the motion and it was unanimously carried.

Mr. May informed the committee members that as yet there was no report from the subcommittee on A.B. 172.

The committee discussed A.B. 177. Mr. Harmon made a motion for indefinite postponement. Mr. Dini stated that there were a lot of problems with the Emergency Services name.

The motion for indefinite postponement was seconded by Mr. May. Mrs. Ford then asked why. Mr. Harmon stated that there were a lot of problems. Mr. Young moved the previous question. All of the committee members were in favor of the motion for indefinite postponement and the motion was unanimously carried.

Mr. Dini stated that the committee was holding this because there was another bill with regard to purchasing.

A.B. 179 was next discussed. Mrs. Ford made a motion for indefinite postponement which was seconded by Mr. Craddock. All of the committee members were in favor of the motion for indefinite postponement and it was unanimously carried.

The next bill the committee discussed was A.B. 289. Mr. May read a letter from Mr. DiRicco which is attached to the minutes of this meeting and made a part hereof.

Mr. Schofield made a motion for an "amend and do pass" on A.B. 289, which was seconded by Mrs. Ford. All of the committee members were in favor of the motion and it was unanimously carried.

A.B. 320 was discussed next. Mrs. Ford made a motion for a "do pass" on A.B. 320, which was seconded by Mr. Young. All of the committee members were in favor of the motion and it was unanimously carried.

Mr. Dini asked if the subcommittee had gotten anything from the fire marshal with regard to A.B. 56. Mrs. Ford stated that she did have a copy of the rules and regulations which are attached to the minutes of this meeting and made a part hereof.

Mrs. Ford stated that the committee needed to explain and define on site. She stated that site is defined, but on site was not. Mr. Schofield stated that a definition of factor built should be worked out. Mrs. Ford stated that that had been taken care of.

Mrs. Ford stated that the fire marshal has the power to delegate authority under Rule 165 of his rules and regulations but that we wanted to put it into law. The committee then discussed A.B. 56 and Mr. May stated that he would get together with the fire marshal and report back to the committee.

|- 0333

The committee next discussed S.B. 149 and Mr. John Crossley testified with regard to this bill which the committee had voted on for an "amend and do pass". A copy of the testimony and attachments that Mr. Crossley presented to the committee members is attached hereto and made a part hereof.

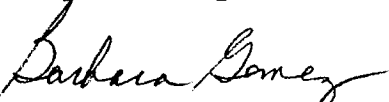
Mrs. Ford then rescinded her "amend and do pass" motion on S.B. 149 which was seconded by Mr. Young. All of the committee members were in favor of the rescision of the amend and do pass on S.B. 149 and the motion was unanimously carried.

Mrs. Ford then made a "do pass" motion with regard to S.B. 149, which was seconded by Mr. May. All of the committee members were in favor of the motion for a "do pass" on S.B. 149, and it was unanimously carried.

Mr. Dini stated that he had 2 BDRs for committee introduction - B.D.R. 23-502 and B.D.R. 23-500.

There being no further business to come before the meeting, the meeting adjourned.

Respectfully submitted,


Barbara Gomez,
Committee Secretary

JOSEPH E. DINI, JR.
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1-0223
COMMITTEES
CHAIRMAN
GOVERNMENT AFFAIRS
MEMBER
TRANSPORTATION

Nevada Legislature

FIFTY-EIGHTH SESSION

March 5, 1975

TO: ALL COMMITTEE MEMBERS OF THE
GOVERNMENT AFFAIRS COMMITTEE (ASSEMBLY)

FROM: JOSEPH E. DINI, JR., Chairman

On Friday, March 7, 1975, at 9:00 A.M., our
committee will meet with Mike Mirabelli and his staff.

Joseph E. Dini, Jr.
JOSEPH E. DINI, JR.

JED/bg

ASSEMBLY

0324

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS
 Wednesday,
 Date March 5, 1975 Time 9:00 A.M. Room 214

Bills or Resolutions to be considered	Subject	Counsel requested*
SB 147	Changes approving authority for salary augmentations and fund from which such augmentations are paid. Notify: Senator Monroe, Senator Gibson Mr. Crossley, Audit	
SB 148	Makes certain technical changes in state financial administration provisions. Notify: Senator Monroe Senator Gibson Mr. Crossley, Audit	
SB 149	Expands list of boards required to engage independent accountant for audit of fiscal records. Notify: Senator Monroe Senator Gibson Mr. Crossley, Audit	

*Please do not ask for counsel unless necessary.

ELMO J. DERICCO, Director
NORMAN S. HALL, Assistant Director

MIKE O'CALLAGHAN
Governor

DIVISIONS

LANDS AB289

FORESTRY

STATE PARKS

WATER RESOURCES

CONSERVATION DISTRICTS

OIL AND GAS CONSERVATION

STATE ENVIRONMENTAL COMMISSION

COLORADO RIVER RESOURCES

0335



Address Reply to
Nye Bldg., 201 So. Fall Street
Carson City, Nevada 89701
Telephone (702) 885-4360

STATE OF NEVADA

Department of Conservation and Natural Resources

OFFICE OF THE DIRECTOR
CARSON CITY, NEVADA 89701

February 26, 1975

The Honorable Paul W. May
Assemblyman
Nevada State Legislature
Carson City, NV 89701

Dear Paul:

Attached is a copy of Assembly Bill 289, with revisions suggested by the Assembly Committee on Government Affairs at a hearing February 24, 1975.

You will recall that during testimony on the bill Mr. Paff proposed that another section (Section 5) be added. We are now requesting that no further consideration be given to the addition of a Section 5.

I have discussed the bill with Roland Westergard and Don Paff and we all concur in the draft attached.

Very truly yours,

Handwritten signature of Elmo J. DeRicco in cursive.

Elmo J. DeRicco
Director

EJD:W:m
encl.

AB 250 Amendments

line 6: add the words "legislative counsel shall request that the"

line 9: add the words "In addition to the requirement of NRS 218.2757, the"

line 8: delete the words "to 218.2758, inclusive" and replace with
272, 218.273, 218.2751, 218.2754, 218, 2757

~~218.2754/~~

Add new language:

Whenever the bill is submitted to the ~~fiscal~~ and research and fiscal analysis division for a fiscal note, the division shall prepare the note after consultation with the appropriate local ~~government~~ or governments or their representatives and return it to the legislative counsel within 5 working days. The legislative counsel may extend such period for not more than 10 additional days if the matter requires extended research.

Amend 218.2754 by adding after the figure \$2000: "Fiscal Note: Executive Budget", whichever is appropriate.

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S. B. 149

SENATE BILL NO. 149—COMMITTEE ON
LEGISLATIVE FUNCTIONS

FEBRUARY 4, 1975

Referred to Committee on Government Affairs

SUMMARY—Expands list of boards required to engage independent accountant
for audit of fiscal records. Fiscal Note: No. (BDR 17-668)



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

AN ACT relating to audits of boards and commissions; expands list of boards
required to engage independent accountant for audit of fiscal records; and pro-
viding other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 218.825 is hereby amended to read as follows:
- 2 218.825 1. Each of the boards and commissions created by the pro-
- 3 visions of chapters 623 to 625, inclusive, chapters 628 to 644, inclusive,
- 4 and [chapter 653] *chapters 653 and 656* of NRS shall engage the serv-
- 5 ices of an independent certified public accountant or public accountant, or
- 6 firm of either of such accountants, to audit all of its fiscal records once
- 7 each year between June 30 and December 1 for the preceding fiscal year.
- 8 The cost of the audit shall be paid by the board or commission audited.
- 9 2. A report of each such audit shall be filed with the legislative audi-
- 10 tor and the director of the budget on or before December 1 of each year.
- 11 The legislative auditor shall prescribe the shape, size and general style or
- 12 makeup of the report.
- 13 3. The legislative auditor may audit the fiscal records of any such
- 14 board or commission only if the legislative commission is dissatisfied with
- 15 the independent audit and directs the legislative auditor to perform an
- 16 audit. The cost of any such audit shall be paid by the legislative counsel
- 17 bureau.
- 18 SEC. 2. The provisions of NRS 218.825 apply to the state board of
- 19 Chinese medicine, the state board of hearing aid specialists and the board
- 20 of marriage and family counselor examiners.

30
State of Nevada Reporters

1975 BDR

218.825

New chapters 634A, 637A + 641A added in 1973 fall within inclusive numbers for boards and commissions requiring independent audit by virtue of their placement in statute revision process. Since 218.825 was not amended in ~~the~~ respect to inclusive numbers, question arises as to whether or not ~~new~~ legislator intended this section to apply to the new boards.

Note also that Certified Shorthand Reporters (Ch 656) does not fall within inclusive numbers.

Page	Ch.		
636	634	634 A	Chinese Medicine
990	523	637 A	Hearing Aid Specialists
	374	641 A	Marriage & Family Counseling
1314	697	656	Certified Shorthand Reporters



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ARTHUR J. PALMER, Director

CLINTON E. WOOSTER, Legislative Counsel
EARL T. OLIVER, Legislative Auditor
ARTHUR J. PALMER, Research Director

December 28, 1973

Mr. Earl T. Oliver, Legislative Auditor
Audit Division, Legislative Counsel Bureau
Legislative Building
Carson City, Nevada 89701

LCO No. 89Re: Audit of NRS title 54 state regulatory agencies.

Dear Mr. Oliver:

Your memorandum of December 17, 1973 asks us to render an opinion upon the problems presented. You correctly point out that NRS 218.825 requires each state regulatory board created by NRS chapters 623 to 625, inclusive, chapters 628 to 644, inclusive, and chapter 653 to engage independent professional services for their annual audit. You ask whether your Audit Division has responsibility for auditing those regulatory boards created under other chapters of NRS Title 54. The 1973 legislature created four new regulatory boards in Title 54 under the provisions respectively of chapters 374, 441, 583, and 698, Statutes of Nevada, 1973. These provisions were assigned NRS chapter numbers 641A, 634A, 637A, and 656, respectively, by the Statute Reviser. Three of these chapters, 634A, 637A, and 641A, happen to fall into the inclusive chapters mentioned in NRS 218.825. You ask whether the boards created by these three chapters now have annual independent audit responsibility under NRS 218.825 because of the assignment made by the Statute Reviser. You have also asked why only certain regulatory agencies are mentioned in NRS 218.825 instead of all such agencies presently operating under Title 54.

It is our opinion that the Legislative Auditor has audit responsibility for those state regulatory agencies created by chapters in Title 54 which are outside the inclusive chapters mentioned in NRS 218.825. If the disbursements of such agency in whole or in part are paid out of funds received from sources other than the general fund, or whose funds may be considered funds held in trust and not used for governmental purposes, or whose funds are invested,

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the agency may be audited in the manner prescribed by subsection 12 of NRS 218.770 either by an independent public accountant or by the Audit Division at your discretion. If the disbursements of such agencies do not fit the provisions of subsection 12, then in our opinion the legislative auditor is required to audit them under the provisions of subsection 1 of NRS 218.770 as agencies charged with the expenditure of public funds. It is our opinion that the boards created by the 1973 legislature do not come within the purview of NRS 218.825 merely because of the chapter number assignments made by the Statute Reviser. Finally, it appears that NRS 218.825 presently excludes some Title 54 regulatory agencies both by design and by apparent oversight as will be explained below.

Subsections 1 and 12 of NRS 218.770 provides that the powers and duties of the legislative auditor shall be:

"1. To perform a postaudit of all accounts, books and other financial records of all state departments that are charged with the collection, custody or expenditure of public funds.***

12. To employ and authorize at his discretion and subject to his direction and responsibility, an independent public accountant or firm of public accountants, doing business within the State of Nevada, to perform an audit, inspection and examination of all books, accounts, claims, reports, vouchers or other records of all state departments whose disbursements in whole or in part are paid out of the funds received from sources other than the general fund, or whose funds may be considered funds held in trust and not used for general governmental purposes, or whose funds are invested. The expense and cost for such independent audit shall be paid by the state department audited. The provisions of this subsection shall not be applicable to the employment security department."

"State departments" as used in these provisions is broadly defined by NRS 218.610 to include "all state offices, departments, boards, commissions, institutions, or agencies, and the Nevada industrial commission." Subsection 1 of NRS 218.770 has been construed to

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mean that

"certain departments of the State Government which collect, hold custody of, and expend strictly public funds are to be audited by the legislative auditor, at the expense of the legislative counsel bureau, whereas, certain other departments, not expending strictly or exclusively public funds, are to be audited at the cost of the state department so audited."

Nev. Att'y. Gen. Op. 338, December 19, 1957. Subsection 12 postdates subsection 1 by six years and its purpose was to provide the option of an independent audit for certain state agencies coming under the supervision of the legislative auditor. If any part of the disbursements of a state agency meets the criteria set out in subsection 12, the legislative auditor at his discretion, may perform a periodic audit himself, at his expense, or provide for an independent audit by a certified public accountant hired either by himself or the agency and paid by the latter. (See Unnumbered Legislative Counsel Opinion to Robert E. Bruce, dated March 18, 1968.) Whether independent or not, the audit under subsection 12 must be subject to his direction and responsibility.

If a state agency's disbursements are entirely paid out of funds received from the general fund, and those funds do not meet the other criteria of subsection 12, i.e. the funds may not be considered funds held in trust and not used for general governmental purposes or are not invested, then in our opinion that agency is charged with the expenditure of public funds and must be audited by the legislative auditor under the provisions of subsection 1 of NRS 218.770. (See Nev. Att'y. Gen. Op. 338, December 19, 1957 and 63 Am. Jur. 2d "Public Funds", Sections 1 (pp. 394, 395), 2 (pp. 395, 396)).

In answering your second question as to whether the new boards come under NRS 218.825, we must point out that agencies created since its enactment do not come under its provisions absent some legislative expression to the contrary. The provisions of law creating the 1973 boards are silent upon the matter and NRS 218.825 was not amended to include them. These agencies

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do not come under NRS 218.825 merely because the Statute Reviser assigns an NRS chapter number which happens to fall within the inclusive chapters mentioned in the section. "The legislative counsel in keeping Nevada Revised Statutes current shall not alter the sense, meaning or effect of any legislative act...." Subsection 5 of NRS 220.120. This would be the result if the mere assignment of an NRS chapter number by the Statute Reviser could be said to impose the obligation of an annual independent audit upon the new boards. There is no strong indication that the legislature intended these boards to come within the purview of NRS 218.825 and we must conclude, therefore, that they do not.

In our opinion only the following state regulatory agencies presently come under NRS 218.825:

- Ch. 623 State Board of Architecture
- Ch. 624 State Contractors' Board
- Ch. 625 State Board of Registered Professional Engineers and Surveyors
- Ch. 628 State Board of Accountancy
- Ch. 629 State Board of Examiners in the Basic Sciences
- Ch. 630 Board of Medical Examiners
- Ch. 631 Board of Dental Examiners
- Ch. 632 State Board of Nursing
- Ch. 633 State Board of Osteopathy
- Ch. 634 State Board of Chiropractic Examiners
- Ch. 635 State Board of Podiatry
- Ch. 636 State Board of Optometry
- Ch. 637 Board of Dispensing Opticians
- Ch. 638 State Board of Veterinary Medical Examiners
- Ch. 639 State Board of Pharmacy
- Ch. 640 State Board of Physical Therapy Examiners
- Ch. 641 Board of Psychological Examiners
- Ch. 642 State Board of Funeral Directors and Embalmers
- Ch. 643 State Barbers' Health and Sanitation Board
- Ch. 644 State Board of Cosmetology
- Ch. 653 Board of Registration for Public Health Sanitarians

To answer your final question as to why NRS 218.825 excludes some Title 54 regulatory agencies we must examine the history of the provision. At the time of its enactment in 1963, the section seemed to include all such agencies not supported out of the general fund or connected administratively with a general fund

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agency. The excluded agencies, the Inspector of Mines (Hoisting Engineers, ch. 626), the Superintendent of the Nevada State Police (now the Attorney General through the Private Investigator's Licensing Board, ch. 648), the Superintendent of Banks (Collection Agencies, ch. 649), the State Board of Health (Medical Labs, ch. 652), and the State Board of Examiners for Nursing Home Administrators within the Department of Human Resources (ch. 654), then, as now, either were supported from the general fund or administratively connected to a general fund agency. In 1967, the Real Estate Advisory Commission was dropped from NRS 218.825 because the Real Estate Division was a general fund agency. Chapter 327, Statutes of Nevada, 1967. In 1969, the Board of Registration for Public Health Sanitarians not so funded or connected was specifically included. Chapter 103, Statutes of Nevada, 1969.

Apparently through oversight, the legislature failed to amend NRS 218.825 to add the Board of Psychological Examiners and the 1973 boards which are similar to those presently included. However, the reenactment of NRS 218.825 in 1967 had the effect of bringing the Board of Psychological Examiners which had been placed into chapter 641 by the Bureau in 1963 within the purview of NRS 218.825. Should NRS 218.825 be amended for any reason by the 1975 legislature, its reenactment would have the same effect of bringing the new chapter 634A, 637A, and 641A boards within the provisions of the section. The chapter 656 board would remain excluded.

We feel this result should not be brought about inadvertently. We suggest you submit a request for bill drafting which would give the legislature the benefit of your views as to how these boards should be treated and the opportunity to clarify this matter.

Very truly yours,

CLINTON E. WOOSTER
Legislative Counsel

By Gerald A. Lopez
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Deputy Legislative Counsel

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DIVISIONS OF
BANKING
INSURANCE
REAL ESTATE
SAVINGS AND LOAN
FIRE MARSHAL

Pursuant to the provisions of NRS 461, the following regulations will become effective June 26, 1972.

STATE OF NEVADA

REGULATIONS FOR FACTORY BUILT HOUSING

100. ADMINISTRATION. Authority for factory-built housing code. These regulations are adopted pursuant to the provisions of Chapter 461, Nevada Revised Statutes, relating to factory-built housing. These provisions provide for the promulgation of standards governing the structural soundness of factory-built housing and the safety of components therein.

105. APPLICATION AND SCOPE. The provisions of these regulations are applicable to all factory-built housing units, modular housing, sectional housing, industrialized housing, and any other type of prefabricated construction designed primarily for residential occupancy, other than a mobile home, and consisting of at least one habitable room or uninspectable at-site panel or portion thereof, and which is to be installed on a building site within the State of Nevada after the effective date of these regulations:

DEFINITIONS

110. GENERAL. Said definitions contained in NRS 461 shall apply to these regulations. Definitions together with additional definitions shall apply as follows: (Ed. Sections with asterisks are statutory)

AGENCY, INSPECTION. An organization which is:

- (1) In the business of inspecting equipment and systems.
- (2) Not under the control or jurisdiction of any single manufacturer or group of manufacturers or suppliers for an affected industry except by contract approved by the Department.

(3) Making available specific information as required by the Department.

(4) Approved by the Department.

AGENCY, LISTING. An agency which is in the business of listing or labeling and which maintains a periodic inspection program on current production of listed models, and which makes available at least an annual published report of such listing in which specific information is included that the product has been tested to nationally approved standards and found safe for use in a specified manner.

AGENCY, TESTING. An organization which is:

(1) In the business of testing equipment and systems.

(2) Qualified and equipped to do experimental testing to approved standards.

(3) Not under the jurisdiction or control of any single or group of manufacturers or suppliers for an affected industry.

(4) Making available a published report in which specific information is included stating that the equipment and systems have been tested and found safe for use in a specified manner.

ALTERATION OR CONVERSION. Any change from the approved plans or installation instructions which would affect the structural, mechanical, electrical, or plumbing systems of factory-built housing bearing a Department insignia of approval and shall include the replacement, addition, modification, or removal of any structural member, plumbing, heat-producing or electrical equipment, or installation which may affect such systems as it applies to the manufacturer and/or the first user.

The following shall not constitute alteration or conversion:

(1) Repairs with approved component parts.

(2) Conversion of listed fuel-burning appliances in accordance with the terms of their listing.

(3) Replacement of equipment and appliances in kind.

(4) Adjustment and maintenance of equipment.

*"APPROVAL" means conforming to the requirements, and obtaining the approval, of the Department.

"CUSTOM BUILDING" means any one-of-a-kind residential unit using a system that has not been recognized by the Department.

*"DEPARTMENT" means the Nevada State Department of Commerce.

*"DWELLING UNIT" means one or more habitable rooms which are occupied or which are intended or designed to be occupied by one family with facilities for living, sleeping, cooking, and eating.

"EQUIPMENT" means all equipment materials, appliances, devices, fixtures, fittings, or accessories installed in the manufacture and assembly of factory-built housing.

*"FACTORY-BUILT HOUSING (F.B.H.)" means a residential building, dwelling unit, or habitable room thereof which is either wholly manufactured or is in substantial part manufactured at an off-site location to be wholly or partially assembled on site in accordance with regulations adopted by the Department pursuant to Section 17 of this Act, but shall not include mobile homes.

"FIELD TECHNICAL SERVICE" means interpretation and clarification by the Department of technical data relating to the application of these regulations, but not including inspection at locations other than Department office consultation.

*"FIRST USER" means the person, firm, or corporation that initially installs factory-built housing within this state. A person who subsequently purchases a building which wholly or partially consists of factory-built housing is not a first user within the meaning of this definition.

*"HABITABLE ROOM" means any room meeting the requirements of this chapter designed for sleeping, living, cooking or dining purposes, excluding such enclosed places as closets, pantries, connecting corridors, unfinished attics, laundries, foyers, storage spaces, cellars, utility rooms and similar spaces.

"INSIGNIA" means a label, tab, or tag issued by the Department to indicate compliance with the regulations established for factory-built housing units, systems, subsystems, or building elements.

*"INSTALLATION" means the assembly of factory-built housing on site and the process of affixing factory-built housing to land, foundation footings, or an existing building.

"LABELED" means equipment bearing a label of certification of an approved testing agency.

"LISTED" means equipment or materials or structures included in a list published by a listing agency that maintains periodic inspection on current production of listed equipment or materials and whose listing states either that the equipment or material

complies with approved standards or has been tested and found suitable for use in a specified manner.

*"LOCAL ENFORCEMENT AGENCY" means any county or incorporated city or town, including Carson City, in which factory-built housing is installed.

*"MANUFACTURE" is the process of making, fabricating, constructing, forming, or assembling a product from raw, unfinished, or semifinished materials.

*"MOBILE HOME" means a vehicular structure which is built on a chassis or frame, is designed to be used with or without a permanent foundation, is capable of being drawn by a motor vehicle, and is used as a dwelling when connected to utilities.

*"RESIDENTIAL BUILDING" means any structure designed solely for dwelling occupancy, containing one or more dwelling units and structures accessory thereto.

*"SITE" is the entire tract, subdivision, or parcel of land on which factory-built housing is installed.

"SUBSTANTIALLY PREFABRICATED OR ASSEMBLED" means the module or major portion of factory-built housing assembled in such manner that all portions may not be inspected without disassembly or destruction of the part.

"SYSTEM" means the assembling of materials into a prefabricated component or building element of a specific nature and for a specific function.

The method of utilization of the building elements to complete a given function constitutes a system. The system is identified as to its functions:

(1) Structural System: Inclusive of roof, wall and floor elements.

(2) Structural Subsystems: Individually identified as roof, wall, or floor structural subsystem elements.

(3) Plumbing System.

(4) Electrical System.

(5) Heating and Ventilating System.

(6) Air-conditioning System.

(7) System Prototype: A system prototype is a specific design of factory-built housing as designated by the manufacturer to be the standard for imitation reproduction. A system

prototype may include options that do not affect the performance function of any system.

(8) System Recognition: Means a system or systems of construction approved by the Department or the International Conference of Building Officials.

ADMINISTRATION AND ENFORCEMENT

115. ADOPTION OF MODEL CODES, CONSTRUCTION REQUIREMENTS. The design and fabrication of factory-built housing shall comply with the following codes (1970 Editions as amended from time to time):

(1) The Uniform Housing Code, Vol. III, 1970 Edition.

(2) The Uniform Building Code, Vol. I, 1970 Edition, as adopted by the International Conference of Building Officials.

(3) The Uniform Building Code, Dangerous Building, Vol. IV, 1970 Edition, as adopted by the International Conference of Building Officials.

(4) The Uniform Building Code Standards, Vol. I, 1970 Edition, as adopted by the International Conference of Building Officials.

120. EXTERIOR DOORS. Each factory-built, single-family house shall have a minimum of two exterior doors. Doors shall be constructed for exterior use.

On all sliding doors, the release lever or handle shall operate to open the door in the direction in which the door opens.

125. ELECTRICAL REQUIREMENTS. Except as indicated in subparagraphs (1) and (2) below, electrical equipment and systems in or on factory-built housing shall comply with the requirements of the National Electrical Code, 1971 Edition, as published by the National Fire Protection Association and amended from time to time:

(1) All electrical conductors shall be of copper only with ground and minimum size #14 wire.

(2) Metal clad and nonmetallic cables may be passed through the centers of the side (wide) of 2 X 4 studs. However, they shall be protected where they pass through 2 X 2 studs or at other studs or frames where the cable or armor would be less than 1-1/2 inches from the inside or outside surface. Steel plates on each side of the cable, or a tube, with not less than #16 manufacturer's standard gage wall thickness, are required to protect the cable. These plates or tubes shall be securely held in place.

130. MECHANICAL REQUIREMENTS. Mechanical equipment and systems in or on factory-built housing shall comply with the requirements of the Uniform Mechanical Code, 1970 Edition, and Standards (pages 178-267), including Chapter 22 (Appendix B).

135. PLUMBING REQUIREMENTS. All plumbing equipment and systems in or on factory-built housing shall comply with the requirements of the Uniform Plumbing Code, 1970 Edition, as published and amended from time to time by the International Association of Plumbing and Mechanical Officials.

140. ENFORCEMENT AND ADMINISTRATION, ENFORCEMENT. The Department shall administer and enforce all the provisions of these regulations. Any authorized officer, agent, or employee of the Department is authorized to enter any premises where factory-built housing is manufactured, leased, sold, or offered for sale or rent. He may examine any records pertaining to quality control and inspection and may inspect any such housing units, equipment, or installations to insure compliance with the provisions of these regulations. When it becomes necessary, he may at the expense to the manufacturer or his agent, require that a portion or portions of such housing units be removed in order that an inspection may be made to determine compliance.

Every manufacturer of factory-built housing subject to requirements of these regulations shall obtain approval and insignia for each factory-built dwelling unit or room.

145. EQUIPMENT AND SYSTEMS. The Department may accept for approval such equipment and installations that are listed or labeled by an approved listing agency. Equipment and systems not listed or labeled may be accepted for approval by the Department when it determines such equipment and systems are adequate for the protection of health, safety, and the general welfare.

150. DEPARTMENT DISAPPROVAL OF LISTED OR LABELED EQUIPMENT AND SYSTEMS. Equipment and systems may be disapproved by the Department when it determines that such equipment and systems, even though listed or labeled by an approved agency, are not adequate for the protection of health, safety, and the general welfare. Where no standards are available for the purpose of testing or labeling to indicate that a test has been made for safety regulations, the Department may accept such items when it is determined

that such equipment is adequate for the protection of health, safety, and the general welfare.

155. ALTERNATES AND EQUIVALENTS:

(1) The provisions of this Chapter are not intended to prevent the use of any material, appliance, system, device, arrangement, or method of construction not specifically prescribed by NRS or these regulations, provided that any such alternate has been approved.

(2) The Department shall approve any such alternate if it finds that the proposed design is satisfactory and that the material, appliance, device, arrangement, method, system, or work offered is at least the equivalent in performance as prescribed by these regulations in quality, strength, effectiveness, fire resistance, durability, and safety.

(3) Whenever there is definite evidence that any material, appliance, device, arrangement, system, or method of construction does not conform to the provisions or requirements of these regulations, or in order to substantiate claims for alternates, the Department may require tests or proof of compliance to be made at the expense of the manufacturer or his agent by an approved agency. Test methods shall be specified in the Standards of the codes listed in the Act or by other nationally recognized Standards approved by this Department. If there are no appropriate test methods specified in the Standards listed above, the Department shall determine the test procedure.

(4) The International Conference of Building Officials, through its Research Committee, investigates and recommends various materials and methods of construction, including factory-built housing. The International Conference of Building Officials' investigation and recommendation system is nationally recognized. On this basis, the Department will accept as prima facie evidence of compliance with the codes, a current product recommendation issued by the International Conference of Building Officials Research Committee.

In recognized exception to the general policy as set forth in subparagraph (4) above, all exterior and interior bearing walls shall be 20-minute fire endurance, based on standard method ASTM E119-71, as amended from time to time. All interior finishes shall be flame spread rated Class III or better using standard test method ASTM E84, as amended from time to time, with smoke emission no greater than 300 (flaming test only) using standard test method ASTM STP 422 as amended from time to time. Each dwelling unit shall be provided with an invisible product of combustion detector, (other than heat), approved by Underwriters Laboratory or Factory Mutual. Detectors are to be located in hall connecting sleeping areas.

160. INSPECTIONS:

(1) In-plant Inspection: The Department shall conduct unannounced inspections at any manufacturing site to review all aspects of manufacturer's production and inspectional control procedures.

(2) Field Inspection: All out-of-state factory-built housing to be installed in the State of Nevada must have Department approval and insignia. This approval requires submittal of design plans, and subsequent visual field inspection either at port of entry or at a designated location acceptable to the Department. All fees incurred will be chargeable to the manufacturer.

(3) All factory-built housing arriving at the site of installation in a damaged condition shall be visually re-inspected in the field by an authorized officer, agent, or employee of the Department to determine corrective action. Upon completion of all reparation, it shall be required to obtain a field reinspection to validate the Department's initial approval.

(4) Alteration or conversion of factory-built housing shall be field inspected in accordance to Section 295 of these regulations.

(5) All charges shall be in accordance to the fee schedule of these regulations.

(6) Installation, Inspection: In order to complete the installation of the factory-built structure, approval and inspection of said installation by the local enforcement agency having jurisdiction over the construction site may be required. The local enforcement agency shall report any units that have been damaged en route to the installation site so that the Department may arrange for a damage inspection of the unit.

(7) Requested Inspection: The Department will arrange for inspections within the State of Nevada upon request. The costs will be charged to the manufacturer or his representative upon arrival at the site in accordance with the fee schedule in Section 320.

Costs of out-of-state inspections will be charged to the manufacturer in accordance with the fee schedule.

(8) In-plant Inspection in Reciprocal States: Where there is evidence that the in-plant inspectional controls in out-of-state plants are not being maintained, the Department reserves the right to make out-of-state inspections, and fees shall be as set forth in the fee schedule included in these regulations.

(9) Individual Unit Inspections: The inspectional control procedure set forth in this section may be waived by the Department at the manufacturer's request. Waiver of the inspectional control procedure shall require the manufacturer to have each unit he produces individually inspected. Fees shall be as set forth in Section 320 of these regulations.

(10) Custom Building Inspections: Factory/custom-built housing units shall be individually inspected at the manufacturing site.

(11) Field Technical Service: Any person may request field technical service, and requests for such service shall be submitted to the Department in writing.

165. INSPECTIONS DELEGATED:

(1) The Department shall consider a local enforcement agency for construction inspection responsibilities as described in the foregoing regulations 160 (9) and (10) upon receipt of its application to the Department.

(2) Each application submitted shall be accompanied by a prospectus detailing the capabilities of the local enforcement agency. The document shall be considered and evaluated with other criteria for departmental approval.

(3) Since the Department will be dealing with a variety of inspections both in and out of Nevada, it becomes necessary to determine the extent of responsibility the Department may effectively assign to a local enforcement agency. The authorization by the Department to a local enforcement agency will be specific on types of construction inspections and will exclude those in the capacity of administrative/procedural levels of inspections.

170. LOCAL ENFORCEMENT AGENCY PROSPECTUS. To allow the Department to determine the acceptance of a local enforcement agency and to authorize the assignment of inspection responsibilities, the following shall be included for the Department's review:

(1) Application. The local enforcement agency may apply to the Department requesting certification for factory-built housing inspection responsibilities.

(2) The application must state the type of inspection(s) for which certification is requested and must be accompanied by a request from a manufacturer desiring such service.

175. THE LOCAL ENFORCEMENT AGENCY SHALL HAVE THE RIGHT TO:

(1) Require a complete set of design plans and specifications certified by the Department for each installation within its jurisdiction.

(2) Require that all permits be obtained for on-site installation before delivery of any unit to a building site.

(3) Require that all factory-built housing other than one- and two-family detached dwellings meet the requirements of Sections 115 to 135 as determined by location within the fire zones and seismic zones of the local enforcement agency.

(4) Require that all fire-resistive occupancy separations and required fire separation walls, parapet walls, and other fire resistive requirements meet the requirements of Sections 115 to 135.

180. INSPECTIONAL CONTROL MANUAL:

(1) The manufacturer shall come to a written agreement with the Department concerning the inspectional control procedures which he shall institute in his manufacturing facilities. This shall be documented in manual form which the manufacturer shall submit to the Department for approval, or shall reference an applicable manual previously approved by the Department.

(2) A plant inspection procedure manual must be submitted. The manual shall include inspectional control procedures of the overall program, such as method of sequence, compliance of basic materials with specifications, frequency of inspections, administrative procedures and samples of inspectional control forms to be used, and the system description for retention of inspectional control records. The manual shall also include information on the plant layout, indicating the flow line of production, storage areas, location and type of equipment. The production procedure shall also include a resume of the experience and/or education of all supervisory personnel involved in inspectional control of the units.

(3) In addition, the company shall designate a legally responsible officer or owner to be responsible for the inspectional control program in his plant and who shall maintain records to substantiate that each manufactured unit has been inspected in accordance with the approved inspectional control manual and complies with the plans as approved by the Department.

(4) If a manufacturer does not maintain his own inspectional control program in accordance with these regulations, the Department shall require that manufacturer to contract with an approved independent inspection agency to maintain an inspectional control program.

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185. DESIGN PLAN APPROVAL, GENERAL. A design plan approval shall be obtained from the Department for each system or prototype of factory-built housing which is subject to these regulations.

190. DESIGN PLAN APPROVAL APPLICATION. Application to the Department for design plan approval shall include:

(1) Completed application on forms obtainable from the Department.

(2) Three completed sets of design plans and specifications and two sets of calculations and test results (where required) for each system and/or prototype to be approved.

(3) Design plan fees as required.

195. CALCULATIONS AND TEST PROCEDURES:

(1) Where it is necessary to substantiate any structural design or method of construction, calculations and supporting data, signed by a Nevada licensed architect or professional engineer, shall be submitted to the Department.

(2) The load-bearing capacity of elements or assemblies may be established either by calculations in accordance with generally established principles of engineering design, or by physical tests acceptable to the Department. When the composition or configuration of elements, assemblies, or details of structural members are such that calculations of their safe load-carrying capacity, basic structural integrity, or fire resistance cannot be accurately determined in accordance with generally established principles of engineering design, such structural properties or fire resistance of such members or assemblies may be established by the results of tests acceptable to the Department.

Tests shall be performed by an approved testing agency, acceptable to the Department. Tests shall be directed, witnessed, and evaluated by a licensed architect or professional engineer. Test procedures and results shall be reviewed and evaluated by a Nevada licensed architect or professional engineer. The Nevada architect's or professional engineer's evaluation of test results and recommendations, accompanied by a test report from the laboratory, shall be submitted to the Department.

200. DESIGN PLAN REQUIREMENTS:

(1) System Recognition: The manufacturer may submit for departmental recognition (conditional approval) a system of construction which may include any or all elements of building systems such as structural, mechanical, plumbing, and electrical elements or components. Such submission shall include all documents and data providing complete information necessary for evaluation of the system's performance and capabilities for its intended use.

System recognition (conditional approval) may be utilized in the design and submission of prototype design within the limits of its approval.

(2) Prototype Design Approval: Plans submitted to the Department for prototype design approval shall indicate every pertinent item necessary for the design, assembly, and installation of the prototype unit. Such design plans shall include all necessary specifications, calculations, and/or test results required for a complete evaluation of the prototype design. Design calculations, specifications, engineering data, and test results may be submitted separately from the actual drawings.

A manufacturer may elect to submit for prototype approval directly without recognition of a building system. If this is done, approval will be on the basis of the prototype only and will not allow variations in the use of a building system or systems incorporated therein except as specifically called out as an option to the prototype design.

(3) Design plans shall be drawn to scale and shall be on uniformly-sized standard stock drawing sheets not to exceed 24 inches by 42 inches. The applicant shall be prepared to submit prints of these drawings, as original drawings will not be accepted by the Department. Each sheet of drawings shall provide a blank space of not less than 3 inches by 4 inches in the lower right-hand corner of the sheet for the Department's stamp of approval.

(4) Plans shall indicate the location on the unit of the Department insignia.

205. LIVE LOADS. Design for live loading shall be in accordance with the requirements of the Uniform Building Code. Live loading for roofs shall be in accordance with Section 2305(c) SNOW LOADS.

210. MANUFACTURING IN MORE THAN ONE LOCATION:

(1) If the manufacturer plans to produce at more than one location, design plan approval may be obtained at the time of filing, subject to submission of the following:

(a) One set of application forms for design plan approval showing all locations of manufacture.

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(b) Three sets of complete design plans and specifications.

(c) One set of design plans for each location of manufacture in addition to the initial three sets.

(d) One set of design plan filing fees as designated in the fee schedule, which will cover all locations.

(2) If, subsequent to design plan approval, the manufacturer wishes to obtain approval for additional locations of manufacture, application shall be made to the Department thirty (30) days prior to start of production at such locations. The Department shall require separate inspection for each location.

215. OUT-OF-STATE APPLICANT. If the applicant's manufacturing facility is out-of-state, the application shall include a statement signed by the applicant that he agrees to in-plant inspections and that he will apply for an insignia for each dwelling unit or rooms(s) to be sold or offered for sale in Nevada.

220. NONCONFORMING APPLICATION AND PLANS. Should the application submittal not conform to the requirements of these regulations, the applicant shall be notified in writing within ten (10) working days of the date they are received by the Department. Should the applicant fail to submit a completely corrected application in accordance with the information supplied by the Department within ninety (90) days of such notice, the application will be deemed abandoned, and all fees submitted will be forfeited to the Department. Subsequent submission shall be as for a new application.

225. EVIDENCE OF DEPARTMENT APPROVAL. Approved plans and specifications shall be evidenced by a certification of the Department. An approved copy of the design plans and specifications shall be returned to the manufacturer. An approved copy shall be retained at each place of manufacture.

230. DESIGN PLAN APPROVAL EXPIRATION. Design plan approvals, including system recognition and prototype design approvals, shall expire thirty-six (36) months from the date of Department approval.

(1) It shall be the responsibility of the manufacturer to submit application for design plan renewal to the Department. Such application shall be submitted no earlier than 120 days and no later than 60 days prior to the expiration date of the current approval.

(2) System and prototype design plans may be renewed prior to the expiration date by submission of an Application

for Plan Approval Renewal form obtainable from the Department. Applications for Plan Approval Renewal shall be submitted with the appropriate renewal fees as designated in the fee schedule of these regulations.

(3) After the expiration date, application for plan approval of any such expired approvals shall be processed as for a new application. Plan approval renewal is permitted only when the plans for the designated system or prototype design are identical to those on file with the Department, except for required standard changes. A change of prototype name or designation is permitted on a renewal of plan approval.

Insignia not assigned to a unit under construction prior to the date of expiration of plan approval are void and shall be returned to the Department. Nothing herein shall be construed to prohibit a manufacturer from submitting for a new plan approval a plan which has been revoked, as provided in this section.

235. REVOCATION OF APPROVAL. Revocation of a plan approval shall occur upon the failure of the manufacturer to comply with the provisions of these regulations.

240. CHANGES TO APPROVED PLANS:

(1) Where the manufacturer proposes to change any portion of his system design or prototype design, or the Department's regulations are amended to necessitate such changes, he shall be required to submit to the Department three sets of supplemental detailed design plans and supplemental justification data of such changes for plan examination and comparison. Plans shall be accompanied by transmittal of Supplementary Plan Application form, obtainable from the Department, and the appropriate plan filing fee pursuant to the fee schedule of these regulations. If the Department determines that the supplemental details do not constitute a change to the existing approval or recognition, the supplements will be filed with and become a part of the existing approval or recognition.

(2) A prototype name or designation may be changed or added prior to the expiration date by filing an amended application and prototype change fee pursuant to the fee schedule in these regulations.

(3) Where the manufacturer proposes changes to the inspectional control manual, three copies of such changes shall be submitted to the Department for approval accompanied by a change fee pursuant to the fee schedule in these regulations.

245. CHANGE OF OWNERSHIP:

(1) Where there is a substantial change of ownership of a manufacturing business having the Department's plan approval, the new owner shall notify the Department of such change within ten (10) days. The notification shall be accompanied by appropriate fee pursuant to the fee schedule in these regulations.

(2) If the new owner submits a statement that he will continue to manufacture in accordance with previously approved plans, a new application and plan filing fee pursuant to the fee schedule in these regulations shall not be required.

250. CHANGE OF NAME OR ADDRESS. In the event of a change in the name or address of any manufacturer, the manufacturer shall so notify the Department in writing within ten (10) days. The notification shall be accompanied by appropriate fee pursuant to the fee schedule in these regulations.

255. RETURN OF UNUSED INSIGNIA. All insignia not used in accordance with the filings for which they were granted shall be returned to the Department as soon as it becomes known that they will not be used as intended. The Department will refund monies paid for the insignia, less cost for insignia and handling.

260. EXISTING PROTOTYPE APPROVALS. When amendment of these regulations requires changes to an approved prototype design, the Department shall notify the manufacturer of such changes, and shall allow the manufacturer ninety (90) days from the date of such notification, or such additional time as the Department shall deem reasonable, in which to submit revised plans for prototype approval.

Revised prototype plans submitted pursuant to this section shall be processed as a supplemental detail, with appropriate fees.

265. COMPLIANCE. Plan approval of each prototype of factory-built housing shall be contingent upon compliance with the requirements of these regulations. The Department shall conduct inspections at the manufacturing plant to determine compliance with the approved plans. Violation of any of the provisions of these regulations or variations from the approved prototype plans shall be cause for revocation of the plan approval.

270. CUSTOM BUILDING. One-of-a-kind factory-built housing units will require design plan submission and approval by the Department. Such plans shall meet the requirements as set forth in this section. However, the inspectional control procedure set forth in Section 180 may be waived by the Department when specific unit inspection at the factory site is instituted by the Department. Such inspection may be made by a factory-built housing inspector. Upon final inspection and proper application by the builder, the Department insignia shall be issued and affixed

to the structure. Fees for such custom building shall be set forth in Section 315 of the regulations.

275. FIELD ERECTION. The building official referred to in Subsection 5006(d) of the Uniform Building Code, Vol. I, shall be specifically understood to mean the local enforcement agency which will be responsible for on-site installations.

280. PROPRIETARY MATERIAL. All material submitted by the manufacturer in the form of design plans, engineering data, test results, inspectional control manual, and other design information relating to their application will be considered as proprietary information and will not be released for public scrutiny except when so ordered by a court having jurisdiction.

285. INSIGNIA, INSIGNIA REQUIRED.

(1) Each factory-built housing dwelling unit or room manufactured separately for sale in Nevada shall bear a Department insignia prior to leaving the manufacturing plant. Each insignia shall be assigned and affixed to a specific unit in a visible location as shown on the approved plans.

(2) Assigned insignia are not transferable and are void when not affixed as assigned. All such voided insignia shall be returned to, or shall be confiscated by, the Department. The insignia shall remain the property of the Department and may be reappropriated by the Department in the event of violation of the conditions of approval.

(3) Insignia shall be required on all units to be installed in the State of Nevada and on all units to be transported and installed in states having reciprocity with the State of Nevada. Assigned insignia affixed in the field shall be under the direction of the Department's authorized agent.

290. APPLICATION FOR INSIGNIA. Following the receipt of plan approval, the manufacturer shall make application for an insignia for each unit manufactured, as required by the previous paragraph. The application shall be submitted to the Department's Carson City office accompanied by the appropriate insignia fees as required by the fee schedule in these regulations. The application shall include the plan approval number and the serial number of each unit for which an insignia is requested.

295. ALTERATION OR CONVERSION. No alteration or conversion of an approved factory-built housing unit by a manufacturer or first user shall take place until an application for alteration or conversion has been filed and the approval of the factory-built housing section has been obtained.

Any alteration or conversion, affecting the structure, plumbing, heat-producing or electrical equipment for installation in a unit which bears or is required to bear an insignia shall void such approval, and the insignia shall be returned to or be appropriated by the Department.

(1) Any manufacturer or first user proposing an alteration or conversion in a unit bearing a Department insignia of approval shall make application to the Department. Such application shall include:

- (a) The name of the manufacturer.
- (b) The prototype designation.
- (c) The serial number.
- (d) The plan approval number.
- (e) The date of manufacture.
- (f) The insignia serial number.
- (g) A complete description of the work to be performed, together with plans and specifications when required.
- (h) Alteration or conversion permit fee.
- (i) Name and address of the owner of the housing structure.

(2) Prior to making application for an alteration or conversion permit, the applicant may request field technical service.

(3) Upon completion of the alteration or conversion, the permit holder shall request the Department to make an inspection of the work.

(4) The permit holder may purchase a replacement insignia based on the inspection of the alteration or conversion only, or a new insignia based on a complete inspection.

300. DENIAL OF INSIGNIA. Should inspection reveal that a manufacturer is not manufacturing units according to plans approved by the Department, and such manufacturer, after having been served with a notice setting forth in what respect the provisions of the plan approval have been violated, continues to manufacture units in violation of the plan approval, applications for new insignia shall be denied, and the insignia previously issued for units in violation of the plan approval shall be confiscated. Upon satisfactory proof of compliance, such manufacturer may resubmit an Application for Insignia.

305. **INSIGNIA REMOVAL.** In the event that any unit bearing the insignia is found to be in violation of the approved plans, the Department may remove the insignia and shall furnish the owner or his agent with a written statement of such violations.

The owner or his agent shall request an inspection after making corrections to bring the unit into compliance before the Department shall issue a replacement insignia.

310. **LOST OR DAMAGED INSIGNIA.**

(1) When an Insignia of Approval becomes lost or damaged, the Department shall be notified immediately in writing by the owner. The owner shall specify the manufacturer, the unit's serial number, and when possible, the insignia number.

(2) All damaged insignia shall be promptly returned. Damaged and lost insignia shall, on payment of the replacement insignia fees as provided in the fee schedule of these regulations, be replaced by the Department with a replacement insignia, which shall bear the date of issue of the original insignia, and which shall be designated as a replacement insignia.

315. **CUSTOM BUILDING.** Insignia for individual units constructed under the custom building requirements of Section 270 of these regulations shall have departmental insignia attached only after final inspection and approval of the construction of the unit. Such insignia shall be attached in the location indicated on the approved drawings.

FEEES

320. **TEMPORARY FEE SCHEDULE, FEES.** The factory-built housing program, operated under these regulations, is intended to operate on a reimbursable basis with revenues from fees and expenditures balancing. Therefore, the following fee schedule may be changed from time to time.

(1) **Prototype Plan Fees.** These fees are payable at the time of application for each prototype plan approval:

(a) Prototype structural system (inclusive of structural subsystems).....	\$100.00
(b) Prototype plumbing system.....	30.00
(c) Prototype electrical system.....	30.00
(d) Prototype heating and ventilating system.....	30.00

- (e) Prototype air-conditioning system..... 30.00
- (f) Prototype plan renewal fee..... 40.00

(2) Products and methods of construction for which evidence of current International Conference of Building Officials' approval is submitted will be subject to one-half the normal plan fees as listed above.

(3) Inspection fees and field technical service fees per man-hour:

(a) Minimum.....\$ 11.00

(b) For every thirty (30) minutes or fractional part thereof in excess of one hour..... 5.50

(4) Insignia Fees. An insignia will be provided for each section or module composing a single dwelling unit for which prototype plan approval is provided. The fee for providing all necessary insignia for the dwelling unit will be 10 percent of the prototype plan fee.

(5) Systems Recognition Fees. The work involved in researching and analyzing a system or systems not recognized by the Uniform Building Code will vary considerably depending upon the complexity and sophistication of the system. Therefore, the Department will charge an additional fee of twelve dollars and fifty cents (\$12.50) per man hour to cover the costs of such analysis. The Department will estimate costs, where practical, prior to submittal and provide a report on hourly activities.

(6) Out-of-State Fees:

(a) Plant Inspection. Fee equal to total travel cost based on published air fare, or equivalent rate, between Carson City, Nevada, and the location of the factory, plus necessary supplemental surface transportation, and reimbursement for food and lodging consistent with the Department's allowances plus forty dollars (\$40.00)

(b) Requested inspection or field technical service. Fee equal to total travel cost based on published air fare, or equivalent rate, between Carson City, Nevada, and the location of the factory, plus necessary supplemental surface transportation, and reimbursement for food and lodging consistent with the Department's allowances plus fees as described in Section 320, subsection (3).