

Members present:

Chairman Jeffrey	Assemblyman Sena
Vice Chairman Robinson	Assemblyman FitzPatrick
Assemblyman Bennett	Assemblyman Rusk
Assemblyman Chaney	Assemblyman Tanner
Assemblyman Horn	Assemblyman Weise

Members excused: Assemblyman Bremner

Guests present: See attached list

A quorum being present, Chairman Jeffrey called the meeting to order at 3:12 p.m. and announced that there was a change on the agenda for March 28. He stated that the only bill to be heard that day would be AB 580 due to the lengthy testimony expected. He stated that the committee would first hear today AB 464, then AB 520 and then SB 187 and SB 188.

AB 464: Mr. Jeffrey stated that he had requested this bill due to a need expressed by some realtors in his district. He stated that it would allow real estate agents to sell mobile homes when that sale was incidental to the sale of the real property upon which the used mobile home was located without having to be subjected to extra investigations and posting of additional bonds.

Bill Cozart, Nevada Association of Realtors, and Gene Milligan stated that they supported the concept of eliminating the need for realtors to be licensed as mobile home dealers, but only if the mobile home was sold with the real property. They suggested the bill be amended pursuant to the attached Exhibit "A".

John Ciardelli, Department of Motor Vehicles, stated that currently there is a Senate Bill 173 being considered which would establish a department of manufactured housing and which would repeal NRS 482.324 and allow the areas covered in this bill to to to that division. He stated however, that relative to this bill, the problem was there and he felt that this bill would help eliminate it. He stated that currently the Fire Marshall's office, Mobile Home Division, licenses mobile home dealers and through an oversight, a limited mobile home dealers license had to go through an investigation by, be bonded through, and pay fees to the Dept. of Motor Vehicles and eliminating the mobile home dealers by repealing that section would help a great deal so far as regulation is concerned because it would make things more centrally controlled.

In answer to a question posed by Mr. Weise, Mr. Ciardelli stated that the DMV doesn't require any special educational requirements for their investigation.

Mr. Wayne Tetrault, Administrator of the Mobile Home Division of the Department of Commerce, told the committee that currently

there are no educational requirements for mobile home licensees, but that in SB 173 there are presently proposed educational requirements. Mr. Tetrault further stated that his main concern was that when real property and mobile homes are sold that the broker realize that titles to those different kinds of property (real vs. personal) must be conveyed in different manners. He stated that the title to the mobile home could not simply be transferred within the escrow without special title papers being drafted.

He said that the division had the appropriate papers for the transfer of interest in the mobile homes, but that they did not want to give out those title papers without some security as to whom they were going and what they would be used for. He said he would accept the bonding and other assurances and obligations that the dealers would have to the real estate division relative to this purpose. He stated that keeping record of the limited licensees by registration with the division would definitely be of benefit because they could keep better records on the title papers released.

Mr. Cozart pointed out at this point that their main concern was to eliminate the double licensing and bonding which is currently required through both agencies.

Mr. Tetrault stated that he felt NRS should be amended so that a realtor could get a limited license if he was found to be in good standing with the real estate division. It was decided that Mr. Tetrault, Mr. Cozart, Mr. Milligan and Mr. Weise would get together and formulate appropriate amendments to be bill to reach the objectives discussed.

Mr. Bruce Robb of the Nevada Manufactured Housing Assoc. told the committee that he would have no objection to the bill if it were amended as indicated. That concluded testimony on this bill.

AB 520: Chairman Jeffrey explained that this bill was the result of a resolution by the Legislative Commission which would correct the statutes. He stated that last session the rates and fees had been adjusted and based upon a two year renewal, but that the statute when printed had raised the rates and fees and left the one year period in effect. Therefore, the result was to double assess the fees and rates over the past two years. He stated that the bill would provide for credits and refunds for those who had been overcharged.

Bill Cozart suggested an amendment to section 2, page 2, line 32 which would change the words "the effective date of this act" to "June 30, 1979". It was thought at this point that perhaps the bill should be referred to Ways and Means since it would have fiscal impact on the Division.

Susan Simmons, Real Estate Division, submitted to the committee an Explanation of Local Government Impact, attached and marked Exhibit "B" and copies of the fiscal note, Exhibit "C". After

discussion of the impact on the division, Ms. Simmons stated that she would supply the committee with a review of the revenues received by the division over the past two years and a breakdown of projections. That report is attached and marked as Exhibit "D".

Mrs. June Stevens told the committee that she felt there should also be some provision in the fee structure so that if someone had paid their fees and then died that the balance of the fees could be refunded to the estate of that person. She stated that her husband had recently paid his fees before he died and she found that there was no provision for the refund and felt she should bring that to the attention of the committee.

SB 187: Mr. Russ MacDonald stated that he was testifying as surrogate for the Nevada Board of Chiropractic Examiners. He stated that this bill simply broadened the subpoena power of that body by adding to its power the right for the board to require persons testifying or appearing before the board to bring pertinent documents with them to the hearings so that the board could review those documents in their investigation. He stated that the subpoenas "duces tecum" would only allow that the board could review specific documents and would not open up a "fishing expedition" type situation.

SB 188: Mr. MacDonald told the committee that this change would simply standardize the fee to be paid at \$100 after July 1, 1979. In answer to a question from Mr. Jeffrey, Mr. MacDonald stated that the fee charged for the chiropractic license hadn't apparently been changed since 1969 according to the notation in NRS.

In answer to a point raised regarding state-to-state reciprocity, Mr. MacDonald stated that this would recognize doctors from other states with equal or superior educational and experience requirements as well as doctors certified by the national board.

COMMITTEE ACTION:

AB 464: Mr. Weise stated that the amendment had been worked out and he moved to AMEND and DO PASS, Mr. Horn seconded the motion and it carried unanimously.

AB 520: Mr. Sena moved to RE-REFER to WAYS & MEANS, Mr. Bennett seconded the motion and it carried unanimously. Dr. Robinson was not present for this vote.

AB 377: Mr. Weise moved to INDEFINITELY POSTPONE this bill, Mr. Tanner seconded the motion and it carried unanimously.

SB 187: Mr. Sena moved to DO PASS, Mr. Tanner seconded the motion and it carried unanimously.

SB 188: Mr. Rusk moved to DO PASS, Mr. Bennett seconded the motion and it carried unanimously.

AB 484: After a brief discussion, it was decided that Mr. Fitz-Patrick would have the amendment to this bill redrafted to exclude the provision on size. It was felt that this should be handled by regulation and not by statute.

Chairman Jeffrey asked for committee introduction on BDR 57-1061 relating to stacking on liability insurance. There were no objections to the committee introduction.

Chairman Jeffrey stated that for the sub-committee meeting on Saturday, relating to mobile home rent control, it would be the intention of the committee to limit testimony to two hours for each side and the time per speaker to approximately five minutes.

There being no further business to come before the committee, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

Linda D. Chandler
Linda D. Chandler

*

ASSEMBLY COMMERCE COMMITTEE

ROLL CALL:

Hearing date: March 22 , 1979

CHAIRMAN JEFFREY
VICE CHAIRMAN ROBINSON
MR. BENNETT
MR. BREMNER
MR. CHANEY
MR. HORN
MR. SENA
MR. FITZPATRICK
MR. RUSK
MR. TANNER
MR. WEISE

Present	Absent	Excused
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EXEMPTION OF REAL ESTATE BROKERS AND
SALESMEN FROM NRS CHAPTERS 482 AND 489

482.020 "Dealer," "vehicle dealer" defined.

1. "Dealer" or "vehicle dealer" means any person who:

(a) For compensation, money or other thing of value sells, exchanges, buys, offers to displays for sale, negotiates or attempts to negotiate a sale or exchange of an interest in a vehicle subject to registration under this chapter or induces or attempts to induce any person to buy or exchange an interest in a vehicle;

(b) Receives or expects to receive a commission, money, brokerage fee, profit or any other thing of value from either the seller or purchaser of a vehicle; or

(c) Is engaged wholly or in part in the business of selling vehicles or buying or taking in trade vehicles for the purpose of resale, selling or offering for sale or consignment to be sold or otherwise dealing in vehicles, whether or not he owns such vehicles.

2. "Dealer" or vehicle dealer" does not include:

(a) An insurance company, bank, finance company, government agency or any other person coming into possession of a vehicle, acquiring a contractual right to a vehicle or incurring an obligation with respect to a vehicle in the performance of official duties or under the authority of any court of law, if the sale of the vehicle is for the purpose of saving the seller from loss or pursuant to the authority of a court of competent jurisdiction;

EXHIBIT "A"

(b) A person, other than a long-term or short-term lessor, who is not engaged in the purchase or sale of vehicles as a business, but is disposing of vehicles acquired by the owner for his use and not for the purpose of avoiding the provisions of this chapter;

(c) Persons regularly employed as salesmen by dealers, licensed under this chapter, while such persons are acting within the scope of such employment; or

(d) Persons who are incidentally engaged in the business of soliciting orders for the sale and delivery of vehicles outside the territorial limits of the United States if their sales of such vehicles produce less than 5 percent of their total gross revenue.

(e) A real estate broker licensed under the provisions of NRS Chapter 645 or any of his salesmen who sell, lease, exchange, buy, offer or display for sale or lease, negotiate or attempt to negotiate a sale, exchange or lease of a used mobile home incidental to the performance of any activities described by NRS 645.030(1)(a) involving the real estate upon which the mobile home is situated.

[482.324 Limited use vehicle dealer's license for real estate broker selling used mobile home.

1. The department shall adopt and promulgate regulations for the issuance of limited use vehicle dealer's licenses authorizing licensed real estate brokers to sell used mobile homes when the sale is incidental to the sale of an interest in real property and the mobile home is situated on the real property sold. Such regulations shall not be more strict than the

regulations in effect which pertain to licenses for other used vehicle dealers. An applicant for a limited used vehicle dealer's license shall not be required to have sufficient space to display vehicles at his established place of business.

2. If a real estate broker licensed pursuant to the provisions of chapter 645 of NRS holds a limited used vehicle dealer's license, he and his licensed salesmen may sell used mobile homes when the sale is incidental to the sale of an interest in real property and the mobile home is situated on the real property sold.]

482.324 Real estate broker exemption.

NRS 482.322 is not applicable to a real estate broker or his salesmen who are not dealers or vehicle dealers under the provisions of NRS 482.020.

489.076 "Dealer" defined. "Dealer" means any person who:

1. For compensation, money or other things of value, sells, exchanges, buys or offers for sale, negotiates or attempts to negotiate a sale or exchange of an interest in a mobile home or commercial coach subject to the requirements under this chapter or induces or attempts to induce any person to buy or exchange an interest in a mobile home or commercial coach;

2. Receives or expects to receive a commission, money, brokerage fees, profit or any other thing of value from either the seller or purchaser of any mobile home or commercial coach; or

3. Is engaged wholly or in part in the business of selling mobile homes or commercial coaches, or buying or taking

them in trade for the purpose of resale, selling, or offering for sale or consignment to be sold whether or not they are owned by such persons.

4. "Dealer" does not include a real estate broker licensed under the provisions of NRS Chapter 645 or any of his salesmen who sell, lease, exchange, buy, offer or display for sale or lease, negotiate or attempt to negotiate a sale, exchange or lease of a used mobile home incidental to the performance of any activities described by NRS 645.030(1)(a) involving the real estate upon which the mobile home is situated.

489.410 Dealer's, manufacturer's, rebuilder's, serviceman's, installer's license: Requirement; investigation of applicant.

1. Except as provided in NRS 489.415, no person may engage in the business of a new or used mobile home dealer, manufacturer, rebuilder, mobile home serviceman or mobile home installer in this state, or be entitled to any other license or permit required by this chapter or chapter 482 of NRS until he has applied for and has been issued a dealer's, manufacturer's, rebuilder's, serviceman's or installer's license by the department.

2. The department shall investigate any applicant for a license and complete an investigation report on a form provided by the department.

489.415 Real estate broker exemption

NRS 489.410 is not applicable to a real estate broker or his salesmen who are not dealers under the provisions of NRS 489.076.

STATE OF NEVADA
DEPARTMENT OF COMMERCE
REAL ESTATE DIVISION
ADMINISTRATIVE OFFICE



CARSON CITY, NEVADA 89701
(702) 885-4280

AB 520

EXPLANATION OF LOCAL GOVERNMENT IMPACT

The Real Estate Division estimates that license revenue, based on current statutory fees, would result in a minimum of \$800,000. to be deposited to the General Fund for the 1979-80 fiscal year.

The free ride for two years; cutting in half the current statutory fees; and cash refunds in lieu of credit proposed by AB 520 could result in little or no revenue from the license fee categories in the 79-80 fiscal year. There would also be additional staff time spent in manually preparing individual vouchers to submit to the controller's office for refund warrants and the additional office supplies and postage required to mail them out. This bill would also affect the Division's revenue every two years on a continuing basis.

AB 520 makes provision for cash refunds but does not address itself to the source from which these refunds will be made. Will the refund amounts be deducted from the Division's 79-80 projected revenue? Will a specific amount be provided by the Legislature for this purpose?

AB 520 would effectively halt any attempts by the Real Estate Division to be self supporting.

EXHIBIT "B"

STATE AGENCY ESTIMATES

Date Prepared 3-13-79

Agency Submitting REAL ESTATE DIVISION

<u>Revenue and/or Expense Items</u>	<u>Fiscal Year 1978-79</u>	<u>Fiscal Year 1979-80</u>	<u>Fiscal Year 1980-81</u>	<u>Continuing</u>
Real Estate License	<u>\$275,000.</u>	<u>\$230,000.</u>	<u>\$230,000</u>	<u>\$650,000.</u>
Real Estate Fees (Penalty)	<u>20,000</u>	<u>26,586</u>	<u>27,000</u>	<u>30,000.</u>
Total	<u>\$295,000</u>	<u>\$256,586</u>	<u>\$257,000</u>	<u>\$680,000</u>

Explanation (Use Continuation Sheets If Required)

If this proposed legislation, which gives all licensees who paid the double license renewal fee in the 77-78 fiscal year a free ride for the 78-81 license year, renewal fees will not be collected again until the 1981-82 fiscal year. The license revenue the Division would collect in the 1979-80 fiscal year would only amount to \$250,000, representing issuance of original licenses to candidates who have passed the examination, and charges to existing licensees plus assessment of penalties for late renewal.

Local Government Impact YES NO
(Attach Explanation)

Signature [Signature]

Title [Title]

DEPARTMENT OF ADMINISTRATION COMMENTS

Date _____

Signature _____

Title _____

LOCAL GOVERNMENT FISCAL IMPACT
(Legislative Counsel Bureau Use Only)

Date _____

REAL ESTATE REVENUE ACCOUNTS

	Deposited to General Fund 1976-1977	Deposited to General Fund 1977-1978	Estimated 1978-1979	Estimated 1979-1980	Estimated 1980-1981
Real Estate License	\$218,675.00	\$ 768,440.00	\$275,640.00	\$ 800,000.00	\$333,640.00
Real Estate Fees (Coop & Pen)	15,355.00	24,650.00	34,000.00	34,500.00	35,000.00
Escrow Agent Fees	400.00	400.00	400.00	400.00	400.00
Advertising Fees	4,220.00	3,090.00	4,000.00	4,250.00	4,500.00
Land Registration Fees	22,461.00	26,015.00	30,000.00	30,000.00	30,000.00
Land Sales Representative Fees	2,900.00	2,175.00	3,000.00	3,000.00	3,000.00
Handbook Fees & Directory Fees	9,340.00	9,863.00	12,000.00	12,250.00	12,500.00
Examination Fees	94,004.00	132,726.00	140,000.00	142,000.00	143,500.00
Owner Developer	755.00	885.00	1,100.00	1,200.00	1,500.00
TOTALS	\$368,110.00	\$ 968,244.00	\$500,140.00	\$1,027,600.00	\$565,040.00
	<u>1976-1977</u>	<u>1977-1978</u>			
FISCAL BUDGET	\$641,000.00	\$640,447			
ACTUALLY SPENT	-623,260.00	-624,174.00			
	<u>(\$255,150.00)</u>	<u>\$344,070.00</u>			
	DEBIT TAKEN FROM GENERAL FUND	CREDIT GIVEN INTO GENERAL FUND			

EXHIBIT "D"

REAL ESTATE REVENUE ACCOUNTS

	<u>Deposited to General Fund 1976-1977</u>	<u>Deposited to General Fund 1977-1978</u>	<u>Estimated 1978-1979</u>	<u>Estimated 1979-1980</u>	<u>Estimated 1980-1981</u>
Real Estate License	\$218,675.00	\$ 768,440.00	\$275,640.00	\$ 800,000.00	\$333,640.00
Real Estate Fees (Coop & Pen)	15,355.00	24,650.00	34,000.00	34,500.00	35,000.00
Escrow Agent Fees	400.00	400.00	400.00	400.00	400.00
Advertising Fees	4,220.00	3,090.00	4,000.00	4,250.00	4,500.00
Land Registration Fees	22,461.00	26,015.00	30,000.00	30,000.00	30,000.00
Land Sales Representative Fees	2,900.00	2,175.00	3,000.00	3,000.00	3,000.00
Handbook Fees & Directory Fees	9,340.00	9,863.00	12,000.00	12,250.00	12,500.00
Examination Fees	94,004.00	132,726.00	140,000.00	142,000.00	143,500.00
Owner Developer	755.00	885.00	1,100.00	1,200.00	1,500.00
TOTALS	\$368,110.00	\$ 968,244.00	\$500,140.00	\$1,027,600.00	\$565,040.00
FISCAL BUDGET	\$641,000.00	\$640,447			
ACTUALLY SPENT	-623,260.00 (\$255,150.00)	-624,174.00 \$344,070.00			
	DEBIT TAKEN FROM GENERAL FUND	CREDIT GIVEN INTO GENERAL FUND			

EXHIBIT "D"