The meeting was called to order at 8:00 a.m. Senator Close was in the Chair.

PRESENT: Senator Close
Senator Hernstadt
Senator Don Ashworth
Senator Raggio
Senator Sloan
Senator Ford
Senator Dodge

ABSENT: None

Senator Close informed those present that testimony would be taken on AB 784, AB 787 and SB 549 as follows: Brief statements by the proponents and opponents followed by a section by section review of each measure.

Marsha Hudgins, representing the City of Las Vegas, spoke on AB 784. She explained that she had been requested by the director of the Las Vegas Housing Authority to request an amendment which would exempt housing authorities from the provision of the law. When the Residential Landlord/Tenant Act was passed in 1977, housing authorities were exempted. The three reasons for this exemption, which would apply equally to mobile homes are: 1) Housing Authority is under very stringent federal regulations; 2) the Housing Authority is a non-profit agency, and 3) the Housing Authority has its own in-house grievance procedure which has worked very well. Since the Housing Authority was formed, there have only been two cases that have come out of the grievance procedures that were taken to court; the Housing Authority won both of those cases. For those reasons, they are requesting similar exemption in the Mobile Home Landlord/Tenant Act to the one that exists in the Residential Landlord/Tenant Act. She said if it is the desire of the committee, they will provide the wording for the amendment.

Mrs. Vicki Demas, President of the Mobile Home Owner's League of the Silver State, and Mrs. Barbara Bennett, President of the United Mobile Tenants Association, testified in regard to AB 787. Mrs. Demas stated this is not a bill that their associations proposed but had come out of a study committee from the Assembly Commerce Committee. AB 784 was originally AB 525. At the urging of the Assembly study committee, they split the bill and put the enabling authority that was originally in SB 525 in one bill, and the tenants' rights into AB 784. The enabling authority was killed in committee. She advised that wasn't the original request but they had asked that the county be given the enabling authority to establish whatever emergency measures they deemed necessary to solve the zero vacancy rate in Nevada. AB 784 is a bill for tenants' rights to ament NRS 118 and as it stands now, it is not what the mobile home people need. They have proposed amendments that they feel will give them what they must have to keep existing. (Attached as Exhibit A.)

The Committee will request an opinion from the Legislative Counsel Bureau as to whether or not the cities and counties have the authority to enact any type of rent justification measures.

Mrs. Bennett explained that in Washoe County this question was submitted to the court and the court refused to act because there was no measure on which they could act. The local governments then suggested they go to the legislature to request the enabling authority that they claim would permit them to act. Speaking in regard to rent control, she advised that if they could be certain that local governments do, under emergency powers, have the authority to enact the kind of legislation on a local level that they have requested, it would make rent control bills redundant. In view of the fact that they have been stymied in their efforts to obtain enabling authority, which is absolutely critical in Washoe County, the rents are climbing at an accelerated rate. It is an even greater problem than in Las Vegas.

Senator Hernstadt pointed out that part of the problem with the rent increases is that you live on a month to month rental basis. He asked if that could be helped by using a one or two year lease agreement.

Mrs. Bennett agreed that is an alternative, however, they have found that efforts to negotiate with landlords have not been too productive. They have asked for lease agreements and have been denied.

Mr. Jack Schroeder, Attorney for the Northern Nevada Mobile Home Park Association, spoke in support of AB 787. As a general statement, his association finds AB 784 repressive, confusing and terribly broad in its scope and its potential for application. He encouraged the committee to kill AB 784. Speaking to SB 549, the enabling legislation, his group sees that as out-right rent control and stated that type of bill had been killed in the Assembly Commerce Committee. He stated he was very opposed to AB 768. He said if the rents were controlled, it would damage any further supply and demand factors and would undermine the very foundations of private enterprise and our economic system. Referring to the question posed by Senator Hernstadt on leases, as to his clients being approached by Mrs. Bennett for leases, he understood from his clients that this really had not occurred. He said that perhaps there had been some communication breakdowns but he would suggest that his clients have indicated to him that they are willing to enter into leases of terms of one year.

Mr. Ted Horner, representing Southern Nevada Mobile Home Park Owners' Association, testified agreeing that there have been some problems with southern Nevada park owners. He said he felt it had been isolated to a 5% factor. He did not think the remaining 95% of the park owners should be punished because of them.

Mr. Ralph Heller, Executive Officer of the Reno Board of Realtors, spoke in regard to SB 549 , which his group feels is too restrictive. He stated that in the last few years, prices of rents and homes

have been escalating but what is being seen now is a stabilization; the market mechanism is taking hold. Their real fear is that some legislative body, city council, or county commission is going to take some action which is going to have a deleterious effect on the market mechanisms taking hold and applying the corrective action which is almost natural.

Assemblyman Paul Prengaman, District #26, addressing SB 549, pointed out that the idea of creating a statewide commission to regulate mobile home parks is not a new one. It has worked in Florida but their situation is entirely different from Nevada in that they have actual cities of mobile home parks. He does not think the concept is right for Nevada. He suggested that the committee consider AB 768, which is a bill that was killed in Assembly Commerce Committee, giving local governing bodies the power to set up a review board when there was a vacancy rate of 5% or less. He feels that is a much better approach for Nevada. It is an emergency measure and is treated as such. When the vacancy rate changes, the board goes out of existence. He asked that the committee take that into account and perhaps amend that process into AB 784.

The committee began a section by section review of AB 784 with input from the following: Shannon Zivic, Vice President of Mobile Home Owner's League of the Silver State; Barbara Bennett; Vickie Demas; Chuck Damus, Fair Housing Rental Association; Jack Schroeder; Ed Horner and Gil Buck.

SECTION 1:

Shannon Zivic indicated that the problem in southern Nevada is that they have had very little help from local governments on anything. She believes that the mediation board will be a great help as the board will solve a lot of problems over the table without having to go to court and will create an educational program for managers and the tenants. She pointed out that the bill says "may"; she asked if the committee wanted to make it mandatory.

Senator Raggio reminded the committee that this had been amended to make it permissive.

Senator Sloan called attention to the fact that we are saying that you want each of the 17 counties to set up such a board regardless of the need. He didn't know if Storey County or Ely would need such a thing and didn't think it was appropriate to mandate each city and county to do this whether or not they needed to. He felt this would be excessive.

Senator Raggio agreed with Senator Sloan, adding that if the language is left permissive, he felt there would be enough pressure in the areas where the problems are that they would be foolish not to create a board. He was more concerned that there would be equal representation on the board.

Vickie Demas explained there would be seven members of the board all together; two tenants, two landlords and three outisders.

Mr. Schroeder opposed Section 1 stating there is no definition of a grievance and it is too broad in scope.

Senator Raggio responded by explaining this is permissive. The local government can determine, in the ordinance setting this up, what it means by a grievance. The whole idea is to get people talking together.

Mr. Schroeder withdrew his objection.

Senator Hernstadt asked what their feelings would be if the local entities define under the term "grievance", adjustment of rents.

Mr. Schroeder replied that they are in the area but they are not in rent control itself because they are talking about mediation. They have no power and the landlord still maintains his power to increase the rent.

Senator Raggio stated that if the mediator finds that there is a complete unreasonableness on either side, then they have the authority to enact ordinances. He feels the counties and cities do have, in certain situations, the authority to aptly impose rent control.

Scott Brenecke, Northern Nevada Apartment Association, called attention to Section 1 in NRS Chapter 118, affecting both mobile homes and apartments. He asked if it affects both, would it need to be amended.

Senator Close indicated that he believes it is designed to affect mobile home parks only but he will check to make sure.

Shannon Zivic explained that the grievance board we are discussing was not put in here to approach rents. She disagreed with Mrs. Bennett because she feels the mediation board needed in the southern part of the state is for grievances in parks.

Chuck Damus, Fair Housing Rental Association, submitted general comments and arguments against rent control (see Exhibit B).

SECTION 2:

Shannon Zivic called attention to subsection 4 containing definitions and asked why they have changed from two coaches to ten. She feels this would be taking those groups out of the realm of protective law.

Gil Buck stated he agreed with ten rather than two as there are some very small parks in rural areas that would come under this category and that would make an undue hardship on them.

Shannon Zivic has checked with Mr. Tetrault of Commerce and asked him why this change was being made inasmuch as it does not affect the inspections, whether it is for one or ten units. This is for the protection of people in coaches and this bill deals with rights of the tenants, not the financial costs.

Mr. Damus advised the committee that he was the attorney for the mobile home tenants' organization in 1977, when amendments to Chapter 118 were adopted. He feels if we carved out the exception for two to ten, it would be leaving a class of tenants without the protection of the law. From a legal standpoint, there is a question in his mind as to what law would apply since many of the summary evictions procedures do not specifically apply to mobile home lots. What does apply to a mobile home lot in a park with less than ten coaches? He feels it should be changed back to two.

SECTION 3:

Mr. Schroeder stated he feels this is a situation of saying "must" and believes that it is repressive on his clients inasmuch as this doesn't leave options available for the small park owner. In his opinion, this brings up the question of special legislation in a certain area.

Senator Close asked what would be the problem of having a written lease setting forth the agreement between the tenant and landlord.

Mr. Schroeder replied that the feeling in the smaller parks is that it would not be necessary because many have good understanding with each other.

Senator Hernstadt suggested there is no reason not to put "good understanding" in writing.

Hank Batis, owner of Snowflower Mobile Home Park, and President of Northern Nevada Mobile Home Owners' Association, concurred with Mr. Schroeder, adding that he has good rapport with his tenants.

Mr. Horner stated that he had written rental agreements incorporating all the good intentions in Chapter 118 and his tenants refuse to sign them because it scares them.

Senator Dodge suggested amending the bill to say that you had to put it in writing at the request of the tenants. That suggestion was agreed to by all parties.

Bill Jowett, executive officer of the Coalition of Better Housing in the Reno area, stated that his group did not object to written leases as long as they are agreed to in a free and open market but they do object to legislating their use.

Shannon Zivic reiterated her position in opposing the use of "must." She reminded the committee that they are on a month-to-month tenancy with a law that says a park ruling may change any portion of that.

You can move into a mobile home park and be given a written lease and 60 days later that lease may be changed by written notification that it is being changed.

Senator Raggio asked if most tenants would be willing to sign a lease that provided for an extended period of time.

Ms. Zivic responded explaining that at this point, yes. If you live in a park for 4 or 5 years and then are notified that they are going to write up a lease that has a lot of things in it that you didn't agree to when you moved into the park, and you are going to be expected to live by that, you would have no alternative because of your lease. You can't move any place so you would be reluctant to sign one. They would be willing to sign a year's lease providing that the lease cannot change existing oral agreements.

Mrs. Bennett agreed, providing that it does not include a clause, which many do, that the rules and regulations of the park are herein a part of the rental agreements and thereby permitting them to change the terms of the rental agreement every 60 days, right along with the rules and regulations.

Mr. Schroeder stated that is an impairment of contract question. On the question of oral agreements with the landlords, people moving into a park in 1968 may have a different understanding with the landlord than what is in existence in 1979.

Mr. Damus said they have prepared model rental agreements and encouraged members to start preparing and submitting them to tenants as well as providing lease options. He said their experience in southern Nevada has been that they have not been well received by the tenants.

Senator Hernstadt pointed out that the rules and regulations are supposed to include things like where you can walk your dog, where kids can play, hours of the pool and things like that. They are not supposed to include things like rent, late fees, etc.

Mrs. Bennett emphasized that some park owners have used rules and regulations to impose fees of many kinds, i.e., fees for guests, additional costs for other members of the family and pets. They can use them to charge for facilities which tenants were led to believe were free of charge, such as the swimming pool. It gives them the right to remove a laundry room, close the clubhouse, etc.

Ms. Demas stated the reason being because the gentleman who is an owner stated himself that they combined their rules and regulations in their rental agreement. That is where the problem is.

Mr. Damus added that they encourage those to be separate documents. It is his opinion that present law mandates that any type of fees have to be in the rental agreement, not in the rules and regulations. Parks that have those types of rules and regulations are presently in violation of the law.

SECTION 4:

There was no discussion on this section.

SECTION 5:

No comments were made.

SECTION 6:

Mr. Schroeder stated that in his opinion this section is too restrictive. The thrust of subsection 2 says that a deposit may be required only when initially required. He asked about changes in circumstances such as new conditions in the park.

Mr. Ed Horner explained that due to vandalism in the parks, they must lock everything and therefore are charged for key deposits.

Ms. Zivic stated that if a deposit is not made at the time a person moves in, they will receive a new contract that requires a deposit. She understands that every park will be asking for cleaning fees. Her concern is for the people who have lived in the park for several years and when the landlords come back with these written agreements, they can ask for the cleaning fees.

Senator Hernstadt asked what type of cleaning fees can there be in a mobile home park.

Senator Dodge asked what the situation would be if the landlords were locked in on this just with the initial fee and couldn't raise it and you had people who were vandalizing, would the alternative be to evict them?

Mr. Horner explained that the problem is finding out who is responsible for the damage and if they could, they would evict them. In addressing the cleaning deposits in some of the lower parks, they leave cars, motors, all sorts of junk on the lot and somebody has to remove them. He does not think a $25 fee is too much and when they move out, it is refundable if the area is clean.

Ms. Bennett expressed the opinion that the protections where the landlord needs to deal with that sort of thing are already in the law. She does not feel they need the further protection of these deposits.

Mr. Damus sees the problem with limiting the deposit to the initial written contract is there will be a new situation between old and new tenants.

Ms. Demas said that if you made the deposit a part of the rental agreement, rather than the rules and regulations, you wouldn't have that problem.

Mr. Horner suggested broadening this to be part of the written rental agreement that the tenant would sign.

Senator Raggio asked what about a new facility for which a deposit would be required after the initial tenancy occurs. He pointed out that "deposit" is defined in existing subsection 1. It is pretty broad and could cover things that might be provided after the initial occupancy.

Ms. Bennett explained that for the most part, the kinds of things that might come into a park at a future date would be a swimming pool or enlargement of the clubhouse and those costs would be reflected in the tenants' rents rather than deposits.

SECTION 7:

Mr. Damus suggested that the problem with this section, the additional language in 2C relating to prior conduct or activity which the landlord has approved, is that it would cause more problems than it would solve. The problem would be that you could never revise a rule or regulation regardless of the changing conditions and needs of the park.

Ms. Zivic replied that the problem is when you have a park ruling specifying that if you want to put up a fence, it must be a chain link fence. When a new manager comes in who doesn't like this fence, he'll take it down. It is the same thing with the pet situation. She suggested that this be rewritten in such a way that once a written approval is given, it cannot be changed.

Mr. Damus proposed limiting the restriction to not allow changing rules and regulations which would deprive a tenant of any capital improvements.

SECTION 8:

Vincent Laughbach, Assistant District Attorney in Clark County, advised the committee that the district attorneys have worked with this particular section in both Washoe and Clark counties and have done a good deal of investigation for alleged violations of the law. Because there is a near zero vacancy factor in mobile home parks, an unpleasant situation has been created by some mobile home dealers tying up all of the mobile home spaces. They would do this in violation of the spirit of NRS 118.270, entrance and exit fees, and by paying kickbacks to the mobile home dealers. He feels more teeth should be put into this so that the district attorneys can work with this, and so the landlord can't arbitrarily refuse to allow the sale of a mobile home in a park. There must be a reason for the denial; there should not be any profits going to the landlord for selling a mobile home in a park. The language of the present statute is very much the same as the proposed statute. He would suggest that a definition of what entrance and exit are be made. Some mobile home parks would charge entrance fees of $500 to $1,000 and during the investigation, they would say that it really wasn't an

entrance fee but that they had to sweep the area where the mobile home would go at a cost of $1,000 or some other phony reason as to why they had to charge the fee. He volunteered to provide the proper language that would provide that only legitimate rent can be charged and that other fees not be charged. In his opinion, there would have to be a change in the language in the statute as to who is liable for causing the problems of entrance/exit fees.

Al Bishop, owner of the Cottonwood Mobile Home Park in Carson City, testified that he believed persons charging entrance and exit fees are doing so against the law and should be punished. He also feels the law should be clearly stated in this regard.

Ms. Zivic brought up several points relating to payment of other fees, i.e., what services are offered for the pets? There is anywhere from $2 to $5 for each pet. We pay for the use of the washing machines and the only thing furnished is the water. On line 17, with regard to rent increases, it says, "increase the rent to all tenants" and she asked for a definition. Does that relate only to rent increase; does this mean that they can charge rents throughout the park in any way that they see fit to charge anybody? If you don't have uniformity in rent in parks, they could charge anything they want to when you move into a park. There is nothing to stop them. The best approach is that rents will be uniform to the tenants in the park. This reads that only increases in rent will be uniform.

Senator Hernstadt asked if this means uniform percent or uniform dollar increase?

Ms. Zivic agreed that is a good question and it is one of the gray areas in the law. When they bring a person into the park, if they anticipate a rent increase, we have asked that they notify them that there is a rent increase in effect and that it will come into effect in another month so that the people know it when they move in.

Ms. Bennett suggested that might be dealt with by saying that rents must apply in a uniform manner. Delete "increase", leaving in the exception that a discount may be given to disabled persons.

Senator Ashworth asked if there would be any problem when a person is living on a year's lease and another person moved in six months later and would be paying more rent. Would the disparity in rent from that vantage point present a problem?

Ms. Zivic replied in the negative.

Mr. Damus called attention to subsection 1(d), fees for the tenant's immediate family, which would include children. The problem there is a landlord needs to get a certain aggregate rent and one of the traditional ways of doing it is charging fees for children. Often parks have separate areas for adults and children. The children's areas have heavier use and special facilities which is equitable.

If we adopt 1(d), we take out this problem. The pet situation in 1(e) could cause problems when the coach is rented. The uniform language in 2(a) was enacted in 1977 to stop landlords from going around the eviction law by unilaterally increasing the rent. He feels it is going to be hard to freeze in too much here. His organization supports the exception for senior citizens and the disabled. The problem they see with 2(b) in giving notice of rent increases to prospective tenants is that it is unworkable. How do you know who the prospectives are and how do you process this type of a notice? They are opposed to subsection 4 because of the garage sale situation that could happen when parks are not set up to handle a high amount of traffic in a certain area. He feels that this would be freezing in a unilateral right of a tenant to conduct a weekly yard sale that would disrupt a park. If you evicted someone for doing that, it would be retaliatory eviction under the present statute and would allow for statutory damages against the landlord. In subsection 6 and 7 regarding interrupting utility charges, he believes that is the present state of the law indirectly under Chapter 40 which makes it a misdemeanor for a landlord to use an eviction procedure otherwise spelled out by law.

Mr. Schroeder pointed out that subsections (d) and (e) on Page 4 seem to be contrary to Page 2. Page 2 spells out what the landlord can charge for pets and children and on Page 4 it says he cannot charge. He also felt the "disability" clause on Page 4, line 19 should be defined. On line 30 "reasonable size" pertaining to signs should be defined. He said we should consider the garage sale situation and the landlords' obligation to keep fire lanes open. On Page 4, Section 6, there is a case coming out of California where the fine ran up to $17,000. The court instituted some changes in what it interpreted the legislature to mean and he urged that if we are going to adopt that language he would suggest that we council review the California decision.

Ms. Bennett explained that she does not believe Section 1(d) conflicts with other sections. She said we were dicussing the fact that uniformity of rents could deal with a lot of things. Uniformity of rent also deals with the landlords' right to charge a higher rent in a family park, but he should not have the right to charge additional fees beyond that point. She objected to the practice of charging a fee for pets as they provide no services and the owner/tenant is responsible for keeping the yard clean. She has some problems with line 27. People often sell personal items, cars for example, but she does not see how a tenant can hold a garage sale in a yard that is 6x10. Within a mobile park, outside the clubhouse area, she has never seen any kind of garage sale.

Mr. Horner disagreed in the pet issue, stating that pets create a nuisance to other tenants and do not always stay in their own yards.

Ms. Demas advised that there are county ordinances that adequately take care of pets anywhere, whether it is a mobile home park,

apartment or home; she does not believe the legislature needs to act in this area.

Mr. Damus pointed out that under Title 27 of Clark County code, one of the provisions was to make the animal control law applicable to private property mobile home parks but his has not happened statewide.

Senator Dodge calling attention back to line 30, suggested that if there is a problem about "reasonable size" of a sign, can we agree on a definite size.

Mr. Horner suggested that using the real estate size yard sign, that would be placed in a housing district, would be a reasonable size.

Ms. Bennett stated she does not think "reaonsable" needs to be in here.

Mr. Damus suggested that the law could be construed to mean that a park could define "reasonable" in their rules and regulations.

SECTION 9:

Ms. Bennett advised the committee that the landlords' right to deny a buyer is so broad that it has created tremendous problems. She feels some restrictions need to be placed on their ability to deny a buyer.

Ms. Zivic stated her group would be pleased to have just a reasonable why and let the tenant know it inasmuch as this is probably one of the most serious problems in mobile home living. It is possible for a manager to deny a man to the point where he could actually lose his mobile home by this refusal.

Senator Hernstadt asked if the language on Pages 47 and 48, saying that there is no harassment and no reasonable hindrance or obstruction of sale, wouldn't that take care of it?

Ms. Zivic pointed out it would be difficult to prove. She asked what about the innocent buyer who buys into a park not knowing he is supposed to get prior approval, the landlord can hold it back from the buyer for no reason at all.

Mr. Damus replied that the landlord has the burden of proof in this instance.

Senator Close explained that under commercial lease, the landlord has the right to approve the assignment and the assignment cannot be unreasonably withheld. He asked if they would object to that language.

Mr. Schroeder indicated he would not object, however, Mr. Buck objected to deleting Page 5, line 3 "deemed by the landlord to run down."

Senator Raggio asked if these standards substitute adequately for that provision. If it is run down or in disrepair, can it still meet these standards?

Mr. Buck replied in the affirmative, adding that he will supply the committee with a copy of the standards as soon as they are available.

Ms. Bennett pointed out that Section 9, in its present form, is part of a problem. The landlords' ability to deem a coach in a run down condition is so broad it is really subject to abuse.

Senator Raggio pointed out that he views this not so much as that kind of device, although it can be used for it, but rather thinks of it as a protection for the tenants. You do not want someone to allow their coach to become run down. He feels the committee needs some standards that are applicable and measurable.

Ms. Demas explained that under this section, they originally asked that the 12' wide and 10-years-old requirement be removed, which they did. Additionally they asked that if it were deemed by the landlord and local government agency, that it also be reviewed by the local government agency and not leave it entirely up to the landlord.

Ms. Zivic stated that as far as they are concerned, they want to live with this but want it to be enforceable. She would recommend that if we leave the "deemed by the landlord to be in a run down condition" and make the change to remove the 10 years and 12' and give the landlord an opportunity to make his own decision.

Senator Hernstadt explained that the landlord can make his own decision as it says the landlord "may require."

Mr. Damus pointed out that they have agreed to the deletion of (a) and (b) the 12 feet and 10 feet requirement as long as they can have some type of standards as to the condition.

SECTION 10:

Mr. Schroeder stated he feels there is a problem with the "nuisance factor" inasmuch as there is a 5-day limit on this problem. Later on in the section it says that the landlord cannot obtain summary eviction through this bill. He questioned how you can take away the summary eviction procedure.

Mr. Damus disgreed with Mr. Schroeder explaining that the legal situation right now is that a summary eviction does not lie with lot rental anyway. Any court or judge allowing this procedure is mistaken. The present condition of the law is that a summary eviction procedure would apply to a coach rental as in renting an apartment. Summary eviction procedure does not apply to space rental, otherwise you have to give notice, giving sufficient reason. If the people still do not move after the notice period elapses, you have to go by unlawful detainer. They have no problem with the

10-day requirement. In addressing the problem with the 60-day requirement, the present law specifies 30 days for a single wide and 45 days for a double wide unit. Due to the cumbersome procedure of unlawful detainer as the only legal procedure for summary eviction, is why we are really looking at 60 to 90 days from the time the landlord decides to terminate a tenancy until a court order comes under present law. If we add another 30 days to this, we are going to allow this thing to go on for 4 months.

Ms. Zivic pointed that the reason they want 60 days is because of the amount of time it takes to get a coach moved out. It takes almost as much time for a single wide as it does for a double wide.

SECTION 11:

Mr. Damus called attention to subsection 5 relative to the additional language on the condemnation. He would agree with this if the condemnation award would be sufficient to provide the landlord with the cost of moving. He feels it should be added in there because otherwise the landlord could be caught in a squeeze between this law and the condemnation law.

Senator Hernstadt asked if under the condemnation law, isn't the condemning authority required to give fair compensation for all damages? That would include any statutory damages so that the condemning body would give the landlord what he is required by law to give the tenant.

Senator Raggio commented that ordinarily there would be a right of immediate entry for which the 6-month notice wouldn't be appropriate. However, to gain immediate entry, there has to be payment either made or later determined. These factors would be considered in there. Usually you do have a right of immediate entry granted.

Ms. Demas stated they had originally asked for a 12-month notice. The reason being is that they have experienced many parks that are being phased out or sold. They are being given one week to 30 days notice which really is not enough time to relocate.

Mr. Horner explained that the only problem they would have with that requirement is that, in some of the older parks, the sewage systems are failing rapidly and they might not last 6 more months.

Ms. Bennett pointed out that it is the landlords' responsibility to maintain parks, and asked if it required that the sewer systems be repaired, are we going to have to write legislation that will assist them?

Senator Sloan asked if they were saying that a business person should not be able to terminate that business if he wants to.

Ms. Demas replied in the negative, but they should have some consideration in the matter inasmuch as people's lives are involved in this type of business.

Senator Hernstadt indicated that, in the case of condemnation, the state will pay the landlord damages and he in turn will pay the tenant. In the case where you decide to phase out the park, the landlord does have an affirmative obligation to find another place for each tenant.

Mr. Schroeder advised the committee that the problem he has had with that is, if the park is not economically feasible to operate, it is costing more to operate than is being made from it. They have to close down or go into bankruptcy and everyone loses.

Mr. Buck explained that there are a lot of things that could come into play here that would be out of the control of the landlord. For example, there may or may not be lots available or lots that are suitable to the tenant and yet he would be responsible for it.

SECTION 12:

Ms. Demas asked that the provision of "as provided by law" under arbitration be retained and was advised by Senator Close that it doesn't make any difference.

SECTION 13:

The committee was called to general session at this time. Discussion of this measure will continue immediately upon adjournment.

Vincent Laubauch, Assistant District Attorney, Clark County, advised the committee that in prosecuting for these violations under present statute, which is a misdemeanor, they had some serious problems in that by the time they would get a case and have it fully investigated the one-year statute of limitations for prosecution would be expired. One of the main concerns he has is that the statute of limitations be lengthened. He also suggested making any offense a gross misdemeanor with a specific three-year statute of limitations or any time that there are three or more offenses, that it be a felony.

Senator Close asvised him that right now it is a gross misdemeanor for a second offense and a felony for the third.

Mr. Laubauch explained that it is his understanding that unless you proceed within one year from the time of the offense, which is very difficult to do, you could not get the felony conviction because you could never get the first conviction.

Senator Close advised him that if he cannot investigate a complaint and file within a year, there is something seriously wrong with his office.

Ms. Zivic pointed out the entry and exit fees are the biggest problems they have in mobile home parks now. The misdemeanor is basically what the penalty is for our entire bill. She asked if it would be possible to go to a gross misdemeanor, then the felony, and not have a misdemeanor on this particular one because that is a very light fine for that serious of an infraction.

Mr. Damus replied that the basic sentence is always going to be imposed by the judge and in an aggravated situation, they could always give more time.

Senator Sloan pointed out that you do have one one option, which is used in the City of Las Vegas and in the county, that they could use if they wanted to and that would be grounds for revocation of their business license. That is a sanction that could be done in a civil proceeding where you don't have sufficient burden of proof.

SECTION 14 and
SECTION 15:

Mr. Damus called attention to subsection 3, lines 23-26 which is basically the existing state of the law. There is just no specific reference in Chapter 40 to Chapter 118. On Page 8, lines 10-11, applies summary evictions back to mobile home lots and conflicts with present law. The word "lot" should be deleted. In interpreting Chapter 118, the courts have construed, in light of Chapter 40, that summary eviction does not apply to the rental of a lot.

SECTION 16 and
SECTION 17: Delete "lot" to make it consistent with Section 15.

SECTION 18:

Senator Raggio explained that this exempts these kinds of leases from the provisions of the statutes of fraud so that they are enforceable.

Mr. Damus stated that as he sees it is that in Section 19, it doesn't exempt it again, which is confusing.

Ms. Zivic asked does this not stipulate that there has to be a rental agreement because we are renting land?

Senator Close replied that the statute of frauds says you cannot lease property for a term to exceed one year unless it is in writing. He would presume that if it is in Section 18, which means that you can lease, you can have a mobile home lot lease which is not in writing, which would be enforceable.

SECTION 19:

Ms. Zivic advised the committee that when they made their original request, they asked for at least a 12-month rental agreement or lease; this was written up in the first writing. Could this be in line with that request?

Senator Ashworth asked if they want it mandatory that the one year's lease be in writing or do they want the option?

Senator Close indicated he would check with the bill drafter to see what is going on in these two sections.

SECTION 20:

Ms. Zivic advised that this is one of the points they agreed to. In one of the writings of this bill, it was provided that it would be unlawful for a dealer, installer, or a salesman to rent or lease a mobile home lot. That is something that they would like to see because this will help protect them in the use of their vacant spaces and not cause a monopoly by the cooperation of the managers to be able to take the spaces up and restrict the tenants or the public from using the spaces.

Mr. Horner pointed out that if you have a mobile home that is set up and the dealer cannot sell it from that space, he must dismantle it, take it to his place of business, sell it and then put it back on another lot. This is going to be an extra cost on the tenant.

Mr. Damus brought out that there is an old ordinance that has never been followed in Clark County. They have a district attorney's opinion which would prohibit this but he understands enforcement has been suspended in lieu of this legislation. He does not believe anything in Section 20 would prohibit the county from not allowing the sale to take place from the lot. (See attached Exhibit B for this opinion.) Section 20 would allow the dealer to rent the lot, not necessarily sell from the lot. The purpose of the 60-day clause is that basically one of the big problems of space availability and gouging is when the dealer can come in and take up all the lots. There is some leeway here. We should allow the 60 days for the purpose of facilitating financing for new parks. If we don't have new parks coming along with favorable financing, we are never going to alleviate the market problems we have. One of the best ways of being able to get a new park and get the financing is to have a guaranteed rental of all those lots.

SECTION 21:

Mr. Damus stated that he feels this provides a rational implementation period. We discussed this morning about making the written contract by request so this will have to be amended to reflect this.

Ms. Zivic objected to Page 3, line 46, as she feels it is very damaging. She suggested it should say "reasonable rules and regulations" because this opens up the door to adopt anything they want.

Senator Close advised her that on Page 2, line 28, it talks about the rules and specifics that they must be reasonable; this just refers back.

Senator Raggio proposed adding in existing subsection 1, "not inconsistent with this chapter."

Senator Close warned that the thing we don't want to permit is the adoption of rules and regulations that do not conform with what we have passed in statute.

Mr. Schroeder, speaking on behalf of AB 784, said they are still in opposition even though we commented on it.

There was no action taken at this time.

The committee then considered AB 787 and reviewed section by section, noting any changes from AB 784.

The findings are as follows:

Section 1 same as AB 784.

Section 2 same as AB 784.

Section 3, Mr. Damus pointed out new language in this section that goes to additional restrictions on rules and regulations. They would be willing to withdraw from this.

Ms. Zivic stated she did not think this is clearly written and would agree to delete this section.

Section 4, Bill Jowett objected to leaving the definition of "senior citizen" to the bill drafter, feeling it should be left to the park owner.

Mary Fisher, speaking as a park owner, stated there are certain senior citizens that can afford the rent and some that can't. She agrees that it should be left to the owner of the park and the individual situation.

Everyone was in agreement with that concept.

Section 6, Mr. Jowett feels this section will make children not subject to the law on private property.

Mr. Damus pointed out that the problem here is the ability of law enforcement authorities to regulate certain types of law breaking that occurs on private property. The intent of this was to say, at least for the purposes of enforcement, that a private street in a mobile home park would be like a public street to some extent.

Ms. Demas stated that was in AB 784 but the bill drafters took it out. She had no problems with it.

Section 7, Mr. Schroeder advised those present that this ties in with Section 9. The whole intent of their offer to the tenants' association were these two provisions. The hopeful thrust of the legislation would be the opening of spaces, the availability of spaces, relief of increases in rent and protection from arbitrary action of land owners, the bad apples in the crate. That is why they support AB 787.

Section 8, Ms. Demas feels we already have this in our local laws and does not feel the legislature should get into this.

Senator Raggio agreed with that comment and feels this could be handled in the rules and regulations of the individual parks.

No action was taken at this time.

SB 549, Mr. Damus pointed out that there was a similar measure to this that was unanimously defeated in the Assembly committee. Nevada has no experience with rent control. He is definitely opposed to this measure and feels there is a definite turnaround in the market. Whether it is rational or not, lending institutions are withholding funding because of the possibility of rent control.

Ms. Demas explained that they never started out asking for rent control and asked that the authority be given to the county to solve their own problems as to the space shortages.

There was no action taken at this time.

Respectfully submitted,

Cheri Kinsley, Secretary

APPROVED:

Senator Melvin D. Close, Jr., Chairman

ASSEMBLY BILL 784 - MOBILE HOME OWNER's BILL OF RIGHTS

It is requested that the following proposed laws be considered to be added to the Assembly Bill 784, when it is being reviewed for approval by the Senate.

Section 1 - Chapter 118 of NRS.

1. The governing body of each city and county (may) must establish a board to mediate the grievances between landlords and tenants.

Section 2 - NRS 118.230

4. Change proposed "ten" back to "two" mobile homes.

Section 7 NRS 118.260

1. Add. providing there is no conflict with provisions of NRS 118.241.

5. The landlord may adopt any reasonable rules or regulations which are not inconsis with the provisions of this chapter. Park rules must not:

(a) Prohibit a tenant from having a guest, unless that guest constitutes a nuis

(b) Evict a family tenant from the park on the basis that the park has been chang to an all adult.

(c) Must not establish adult areas without posting these areas if there are famil areas within the same park.

(d) Deny the tenant access privleges to his mobile home lot.

Section 8 NRS 118.270

2. The rent rates and increases applies in a uniform manner to all tenants or, if it a service fee to a given circumstance, except that a discount may be given to persons wh are disabled or 62 years of age or older, and;

6. No vacant mobile home space may be rented or leased to any person who will not personally occupy said space.

Section 10 NRS 118.280

1. The landlord may require reasonable approval of a prospective buyer and tenant befo the sale of a tenant's mobile home if the mobile home will remain in the park. The landl must advise the existing tenant of the reason for denying the tenant's buyer, in writing.

5. Condemnation or a change in land use of the mobile home park unless the tenant is given 6 months notice of the condemnation or land use change or the landlord assumes the costs of moving and relocates the mobile home.

EXHIBIT A — 1217

NRS 118.310

1. If a mobile home is made unfit for occupancy for any period in excess of 48 hours any cause for which the landlord is responsible or over which he as control the rent chall be at the tenant's option proportionately abated, from the first day of the outage, and refunded or credited against the following month's rent. The tenar need not abandon the mobile home as a prerequisite to seeking relief under this subsection.

NRS 118.340 Section 13

1. Except as provided in subsection 2, any landlord who violates any provision of NRS 118.241 to 118.310, inclusive is guilty of:

(a) For a first or second offense, a misdemeanor:

(b) For a third or subsecuent offense, a gross misdemeanor.

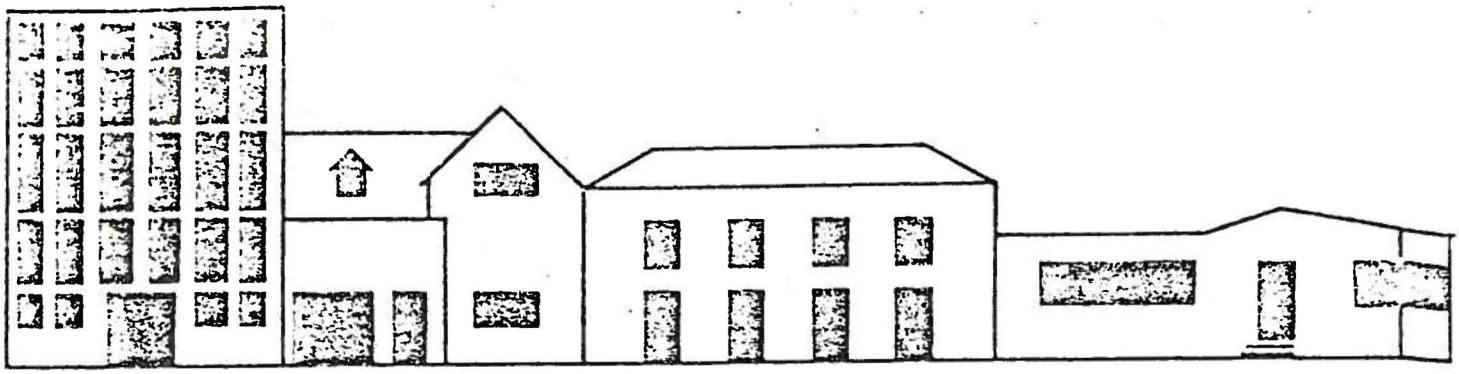
2. Any landlord who violates the provisions of paragraph (a) of Subsection 1 of NRS 118.270 shall be punished by imprisonment in the state prison for not less than 1 year nor more than 6 years, or by a fine of not more than $5,000, or by both fine and imprisonment.

Section 20 - Chapter 489 of NRS

1. Change to read: It is unlawful for a dealer or installer or a salesman to rent or lease a mobile home lot unless he will reside in a mobile home placed on the lot.

Section 21 NRS

1. Before October 1, 1979, the existing terms of every oral contract existing on July 1, 1979, for the rental of a mobile home lot must be reduced to writing, if the lot is in a park to which NRS 118.241 applies.



FAIR HOUSING RENTAL ASSOCIATION
A Non-Profit Corporation
1600 E. Desert Inn Road
Suite 204A
Las Vegas, Nevada 89109
702-732-9797

April 26, 1979

Sen. Mike Sloan
NEVADA STATE LEGISLATURE BUILDING
401 South Carson Street
Carson City, Nevada 89701

Dear Senator Sloan:

I am the chairman of the Fair Housing Rental Association in Southern Nevada. This Association is comprised, among others, of the following organizations:

Southern Nevada Apartment Association
Builders Association of Southern Nevada
Las Vegas Board of Realtors
Allied Builders and Contractors
Southern Nevada Mobile Home Park Owners Association
Southern Nevada Manufactured Housing Association
Las Vegas Chamber of Commerce
Henderson Chamber of Commerce
Conservative Caucus Association
Las Vegas Development Authority
Southern Nevada Mortgage Bankers Association
Nevada Land Title Association
North Las Vegas Chamber of Commerce

We are united in our concern about the possibility of passage, in the State Assembly, of AB 784 and another multi-pointed bill which would unduly restrict the operation of mobile home parks in this state.

EXHIBIT A 1219

SB 549is a bill in which the State Legislature would enable local governments to create rent controlling bodies. This would in fact give tacit approval for local governments to create an environment of Rent Control in the State of Nevada.

We sincerely feel that these bills strike heavily against the free enterprise system in this state and that a vote in favor of these bills would be a vote against the ideals, aims and economic freedom and well being of the members of this Association.

Upon our initiative the Association, together with the Tenant organizations of Northern and Southern Nevada, has established eight points of agreement on this issue. These eight points have been introduced as a separate Assembly Bill, the number of which is not known at this time, and we request your support of this bill. (AB 787)

I have attached a short synopsis of points to consider as you study these bills.

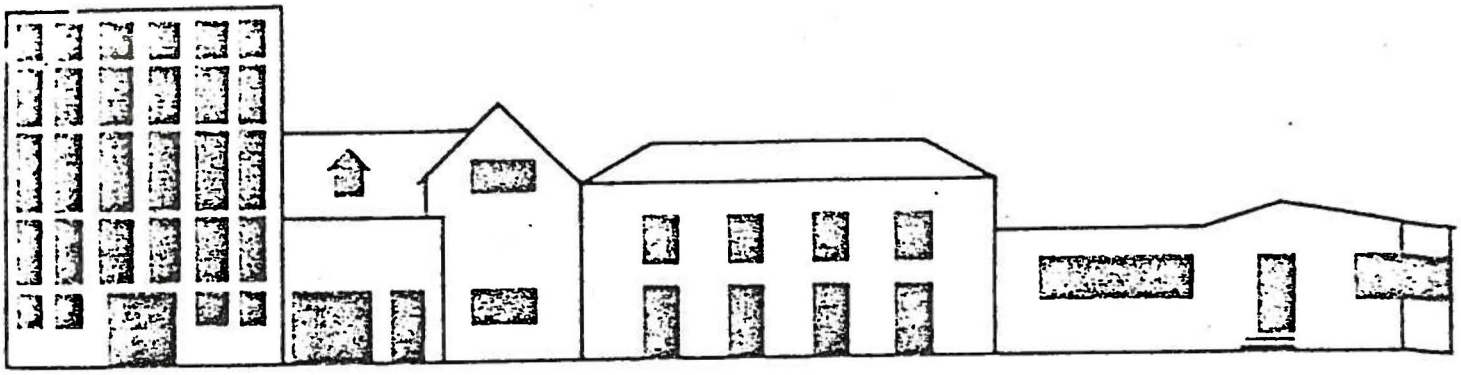
Robert E. Horner
Chairman

FOR: AB 787

AGAINST: SB 549
AB 784
ACR #3

1230

EXHIBIT A



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ARGUMENTS AGAINST RENT CONTROL

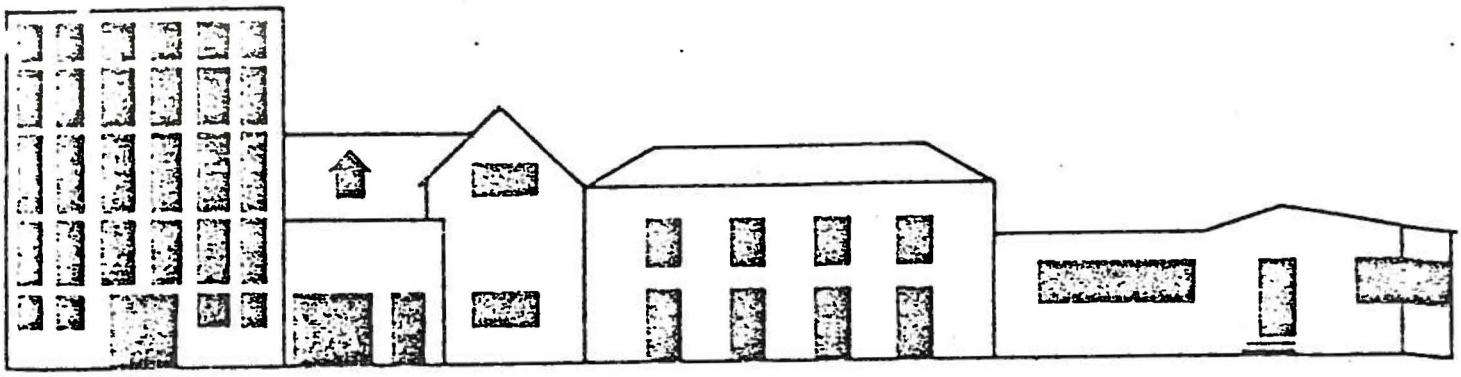
1. Rent control reduces supply and creates a housing shrotage or makes an existing shortage worse. It does so by making rental housing an unprofitable investment and therefore discourages new private investment in rental housing. It also encourages the conversion of rental housing into other forms of tenure, such as condominiums. No rent control system provides a level of cash flow or return on investment that enables rental housing to compete for investment capital.

2. For the same reason, rent control induces existing landlords to reduce the level of maintenance and repair in order to lower operating costs. In the long run, this encourages neighborhood blight.

3. The blight in turn lowers the capital value of rental housing. Therefore, property values fall which reduce receipts from property taxes. This is a further erosion of the urban tax base. Since the urban poor benefit most from tax expenditures, this result ultimately does more harm to them than to other groups.

4. Rent control tends to encourage the misallocation of housing space. This happens as follows: in an effort to avoid the adverse effect of controls on housing investments, newly constructed dwellings are often exempted from regulation. Even when this is done, however, many tenants, especially older ones, find it far less expensive to remain in large old controlled dwellings rather than to move to newer units whose smaller size is adequate for their needs. The reason for this is that construction costs are rising so fast that rent levels in new buildings far exceed those in old buildings.

EXHIBIT A



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Arguments Against Rent Control - (Continued)

5. Rent control is an inefficient subsidy system and creates inequities among tenants. It helps many tenants who have little or no need for regulatory protection. Well-to-do tenants living in large, well-appointed apartments at controlled rents are common in cities with controls. Moreover, since most rent control systems (at least in America) are designed to favor long term tenants, the systems often fail to benefit those who need help, for the poor tend to be the most mobile.

6. Rent Control is expensive to administer because it inherently deals with numerous relatively small business entities that do not individually affect the housing market, whose financial circumstances vary, and whose ability to pay for or use technical assistance is severly limited.

7. Rent control is unfair to owners of rented housing because it singles out only one kind of enterprise for regulation. It is not based on the wealth or income of those who are regulated, and forces a limited class of private individuals to subsidize other private individuals.

8. Even where it might be justified in a serious emergency, rent control is, for political reasons, extremely difficult to eliminate once it is introduced. Nearly every rent control system in North America and Western Europe was introduced as a "temporary measure".

EXHIBIT A

J.G. VORNSAND
ZONING ADMINISTRATOR

TELEPHONE
386-4314

Clark County Zoning Division

CLARK COUNTY COURTHOUSE ANNEX
400 LAS VEGAS BOULEVARD SOUTH
LAS VEGAS, NEVADA 89101

March 14, 1979

On March 7, 1979 an opinion was rendered by the Clark County District Attorney's Office that the utilization of a mobile home park or mobile home subdivision for the purpose of sales or promotion of mobile homes by a mobile home dealer is in violation of County ordinance. This violation occurs when the dealer is using the mobile home as a promotional device or carrying it as a part of his inventory with the purpose of promoting his business objective, i.e. sales of mobile homes.

This letter shall serve as notice that the practice of permitting mobile home dealers to "set up" in mobile home park and subdivisions for the purpose of selling or displaying mobile homes is prohibited within the unincorporated areas of Clark County and will not be permitted. In addition, this Division will cause compliance enforcement for existing dealers already established in this manner on or about July 1, 1979.

If you have any questions regarding the above matter, please contact this office at your convenience.

Sincerely,

JOHN G. VORNSAND
Zoning Administrator

JGV:ef
cc: B. Spaulding, County Mgr.
R. Weber, Dir. Bldg. & Zoning
D. Mui, Dep. D.A.
J. Vanek, Dir. Bus. Lic. Bureau
V. Demas, S.S.M.H.O.A.

1223

EXHIBIT A

Library Note:

During the examination of this set of minutes, Exhibit B was found to be missing. It also appears to have been missing at the time this set of minutes was hand numbered, as the numbering does not have a gap where these pages should be. The pages are also missing from the microfiche.

Research Library
October 2010