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Assembly Committee on COMMERCE

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Chairman Robinson called the meeting to order at 2:10 p.m. in the old Assembly Chambers of the Capitol Building.

MEMBERS PRESENT:

Mr. Bennett

Mr. Brady

Mr. Chaney

Mr. Dini

Mr. DuBois

Mr. Jeffrey

Mr. Kovacs

Mr. Prengaman

Mr. Rusk

Dr. Robinson

MEMBERS ABSENT:

Mr. Bremner

Chairman Robinson opened the meeting by giving the Committee and the guests present some background information about the meeting site. These remarks are attached in full and marked "EXHIBIT A." Following his remarks, Dr. Robinson informed the members of the Committee that each Assemblyman was entitled to a bound copy of the Journal with an index indicating each place that his or her name is mentioned.

Dr. Robinson asked Mr. Dini to make a few comments about what it was like to hold sessions in the old Assembly Chambers.

Mr. Dini remarked that there was no air conditioning system in the building when it was used for the legislature prior to 1969, and the building was always either too hot or too cold. He said the picture of Lincoln that now hangs in the new Assembly Chambers used to hang in the old Chambers. The greatest inconvenience, he said, was the fact that there were no modern committee rooms. He also said that the supplies that are available now were not available then and that the system is so much more sophisticated and better as it is today.

Dr. Robinson then asked the Committee for discussion and action on A.B. 21.

A.B. 21:

REQUIRES ESCROW FOR CERTAIN SALES OF MOBILE HOMES.

Dr. Robinson indicated that he had received correspondence urging the passage of the bill with illustrations of people who had lost their life savings due to the lack of such a law.

There being no further discussion from the Committee members on the bill, Dr. Robinson asked for a motion.

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A MOTION WAS MADE BY MR. DUBOIS TO DO PASS. THE MOTION WAS SECONDED BY MR. KOVACS AND CARRIED UNANIMOUSLY OF THOSE PRESENT.

The Chairman then moved the discussion to A.B. 22.

A.B. 22:

MAKES PROVISIONS GOVERNING RENTAL OF MOBILE HOME LOTS APPLICABLE TO CERTAIN RECREATIONAL VEHICLES.

Dr. Robinson indicated that this was not a controversial bill and that it straightened out a problem with recreational vehicles in mobile home parks.

Mr. Dini asked if there were different health standards for parks that allowed recreational vehicles.

Dr. Robinson read from the interim subcommittee's recommendations that indicated that travel trailers, which remained in mobile home parks for over one month, should come under the provisions of the mobile home park landlord/tenant laws.

A MOTION TO DO PASS WAS MADE BY MR. PRENGAMAN. THE MOTION WAS SECONDED BY MR. KOVACS AND CARRIED UNANIMOUSLY OF THOSE PRESENT.

Dr. Robinson moved the discussion to A.B. 25.

A.B. 25:

REVISES PROVISIONS REGULATING PERSONS WHO MANUFACTURE, SELL, INSTALL AND SERVICE MOBILE HOMES AND SIMILAR VEHICLES.

Dr. Robinson indicated that there were two amendments to A.B. 25. One of the amendments was to use the term "manufactured housing" in reference to the recovery fund. He also mentioned a decision that had been issued to the Manufactured Housing Division by the Attorney General's office. The letter is attached and marked "EXHIBIT B."

Dr. Robinson guided the Committee through the amendments, which are attached and marked "EXHIBIT C."

Chief Deputy Research Director, Don Rhodes, mentioned that during the hearings on A.B. 25, a question had been raised about the bonding requirement mentioned on page 2, lines 38 and 39. It had been suggested that this requirement be deleted from the bill in an effort to copy the real estate recovery fund laws.

A MOTION WAS MADE BY MR. PRENGAMAN TO ADOPT AMENDMENT NO. 291 TO <u>A.B. 25</u>. THE MOTION WAS SECONDED BY MR. DUBOIS AND CARRIED UNANIMOUSLY. MR PRENGAMAN THEN MOVED FOR A DO PASS ON <u>A.B. 25</u>. THE MOTION WAS SECONDED BY MR. DUBOIS AND CARRIED UNANIMOUSLY.

The next bill for discussion and action was A.B. 150.

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A.B. 150:

ADDS MOBILE HOME PARKS AND MOBILE HOMES TO TYPES OF RESIDENTIAL HOUSING FINANCED UNDER NEVADA HOUSING LAW.

Dr. Robinson indicated that Amendment No. 171 to $\underline{A.B.}$ 150 clarified the definition of residential dwelling units. A copy of that amendment is attached and marked "EXHIBIT D."

A MOTION WAS MADE BY MR. KOVACS TO ADOPT AMENDMENT NO. 171 TO A.B. 150. THE MOTION WAS SECONDED BY MR. PRENGAMAN AND IT CARRIED UNANIMOUSLY.

A MOTION WAS THEN MADE BY MR. JEFFREY TO DO PASS A.B. 150 AS AMENDED. THE MOTION WAS SECONDED BY MR. PRENGAMAN AND CARRIED UNANIMOUSLY OF THOSE PRESENT.

Following the vote on $\underline{A.B.}$ 150, Chairman Robinson moved the discussion to $\underline{A.B.}$ 191, which the Committee had voted to INDEFINITELY POSTPONE at a previous meeting.

<u>A.B. 191</u>

REQUIRES INSURERS TO OFFER COVERAGE FOR FULL REPLACEMENT VALUE OF MOBILE HOMES.

A MOTION WAS MADE BY MR. JEFFREY TO RECONSIDER A.B. 191. THE MOTION WAS SECONDED BY MR. PRENGAMAN AND CARRIED UNANIMOUSLY.

Dr. Robinson asked Mr. Jeffrey to explain the amendment that he had drafted, (attached and marked "EXHIBIT E").

Mr. Jeffrey indicated that the amendment would eliminate all of the new language in the bill with the exception of line three. He said that the language had been supplied by the insurance industry, and that it took care of the problems that the industry had had with the original draft.

A MOTION WAS MADE BY MR. JEFFREY TO ADOPT AMENDMENT NO. 315 TO A.B. 191. THE MOTION WAS SECONDED BY MR. BENNETT AND CARRIED UNANIMOUSLY OF THOSE PRESENT.

A MOTION TO DO PASS AS AMENDED WAS MADE BY MR. JEFFREY. THE MOTION WAS SECONDED BY MR. BENNETT AND CARRIED WITH THE UNANIMOUS VOTE OF THE MEMBERS PRESENT.

Discussion moved to A.B. 183.

A.B. 183:

REQUIRES INSURERS OF PROVIDERS OF HEALTH CARE TO REPORT MALPRACTICE CLAIMS.

Dr. Robinson indicated that this bill had an amendment, No. 389, which set the threshold for reporting of judgments at

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\$5,000. There was a second amendment which dealt with the elimination of the medical legal screening panel. He indicated that this amendment had the blessing of the medical, dental, nursing and legal professions. He added that the chairman of the Judiciary Committee was in agreement with the elimination of the screening panel because the panel was not very successful. The amendments are attached and marked "EXHIBIT F and F-1".

A MOTION WAS MADE BY MR. RUSK TO AMEND A.B. 183 BY ADOPTING THE MOTION WAS SECONDED BY MR. AMENDMENTS NO. 389 AND 390. BENNETT AND CARRIED UNANIMOUSLY.

A SECOND MOTION WAS MADE BY MR. RUSK TO DO PASS A.B. 183 AS AMENDED. THE MOTION WAS SECONDED BY MR. BENNETT AND IT CARRIED.

Dr. Robinson then asked for discussion on A.B. 223.

A.B. 223:

INCREASES MINIMUM AMOUNT OF INSURANCE COVERAGE REQUIRED FOR MOTOR VEHICLES.

Dr. Robinson referred to a memo from Virgil Anderson, "EXHIBIT G," which showed the increases in insurance premiums for the increasing of the financial responsibility limits. He also read a letter signed by Virgil Anderson and Dick Garro, "EX-HIBIT H".

In response to a question from Mr. Kovacs, Mr. Anderson said that if the limits were set at 20/40/10, there would be about a five percent increase in the rates. Mr. Anderson stressed that the rates in his memo were for assigned risk plans, and that the normal rates would be lower. He added that going to a 20/40/10 plan, which is not a normal situation, would require a restructuring of the rate schedules and approval of the In- . surance Division.

Mr. Brady remarked that passage of this bill would be penalizing the individuals who currently carry insurance. He said that it should be a voluntary issue for someone to carry increased amounts of insurance. Mr. Brady added that the insurance companies should be responsible for informing people of the need to carry greater amounts of insurance, but that it should not be a law.

Mr. Kovacs argued that the property damage amount was far too low, and Dr. Robinson added that the cost of hospitalization was so high that \$25,000 would not cover more than a few days of hospital care for an injured person.

Mr. Jeffrey indicated that he was in agreement with Mr. Brady.

Dr. Robinson then stated that he had just received communication

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from the Nevada Trial Lawyers Association, which indicated that Arizona had just increased the mandatory insurance coverage to 25/50/10.

A MOTION WAS MADE BY MR. DINI TO INDEFINITELY POSTPONE A.B. 223. THE MOTION WAS SECONDED BY MR. BRADY. THE MOTION PASSED WITH MR. KOVACS, MR. DUBOIS, AND DR. ROBINSON IN OPPOSITION.

Discussion moved to A.B. 190.

A.B. 190:

REMOVES REQUIREMENTS FOR EVIDENCE OF INSURANCE AND ASSOCIATED PENAL-TIES.

Dr. Robinson indicated that there would be no Committee action taken today on this bill and that the hearings had indicated that, "There wasn't much appetite to cancel the mandatory insurance; in fact, we thought if we'd do anything, we'd strengthen it."

Dr. Robinson introduced Mr. Hale Bennett with the Nevada Department of Motor Vehicles, who gave each Committee member a hand-out concerning the bill and the "Oregon Plan". The hand-out is attached and marked "EXHIBIT I and I-1".

Mr. Bennett explained that part of his hand-out was a brief description and analysis of the present vehicle liability insurance system. He added that it was the intention of the Department to adopt the best points of the Oregon Plan and use them to strengthen the present Nevada system. Mr. Bennett explained the major components of the proposed system and the new components that would be adopted from the Oregon Plan.

He added that the proposed plan was not perfected and was simply intended to provide the Committee with some viable ideas.

Mr. Brady questioned Mr. Bennett on how the Department had determined that there were only between 13 and 17 percent uninsured motorists currently in Nevada. Mr. Bennett stated that the figures had been obtained from actual accident reports.

Dr. Robinson requested that Mr. Dini work with Mr. Bennett to perhaps come up with a substitute bill to $\underline{A.B.}$ 190.

Mr. Kovacs asked if there would be a fiscal impact for implementing a new system. Mr. Bennett indicated that there would be be a fiscal impact.

Dr. Robinson then commented that he had received two requests for bill draft requests. One was to amend title 42 of NRS, requiring a license to be issued by the state fire marshal for certain activities relating to fireworks.

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After brief discussion, the Committee decided to deny the request.

The next request was from the Legislative Committee of the Nevada Independent Insurance Agents for changes to the statutes regarding statute limitations on errors and omissions. Dr. Robinson said the purpose of the changes was to clarify the statutes and make them more consistent and current.

A MOTION WAS MADE BY MR. KOVACS TO REQUEST A COMMITTEE BILL DRAFT. THE MOTION WAS SECONDED BY MR. JEFFREY AND CARRIED UNANIMOUSLY.

Dr. Robinson then stated that he had a request from the Nevada State Board of Medical Examiners to repeal Section 3 of NRS 630.

A MOTION WAS MADE BY MR. RUSK TO REQUEST A COMMITTEE BILL DRAFT. THE MOTION WAS SECONDED BY MR. BENNETT AND CARRIED.

The next item for discussion was BDR 57-1507.

BDR 57-1507: (AB 474) AN ACT RELATING TO INSURANCE REMOVING THE PROHIBITION AGAINST THE INVESTMENTS IN AGRICULTURAL RANCH PROPERTY BY INSURERS AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

A MOTION FOR A COMMITTEE INTRODUCTION WAS MADE BY MR. RUSK AND SECONDED BY MR. CHANEY AND CARRIED WITH THE UNANIMOUS VOTE OF THE MEMBERS PRESENT.

Dr. Robinson then mentioned that a Committee introduction for BDR 54-1478 had been requested.

BDR 54-1478:

(AB 475)

CHANGES THE FEES FOR LICENSING AND ADMINISTRATIVE FINES WHICH ARE CHARGE-ABLE BY THE NEVADA STATE BOARD OF OPTOMETRY.

A MOTION FOR A COMMITTEE INTRODUCTION WAS MADE BY MR. BRADY AND SECONDED BY MR. RUSK. THE MOTION CARRIED.

Mr. Kovacs then mentioned that another legislator had asked for a committee introduction with regards to having the Surplus Lines Association reincorporated into the law. He said that he had discussed the matter with a number of insurance agents in Las Vegas who felt that the Association was a useful entity.

Dr. Robinson said that the Committee had voted down this request at a previous meeting.

Mr. Kovacs responded that his research had indicated that there was a need for the Association.

HE THEN MADE A MOTION TO REQUEST A BILL DRAFT TO REINSTATE

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THE SURPLUS LINES ASSOCIATION. THE MOTION WAS SECONDED BY MR. DUBOIS AND CARRIED UNANIMOUSLY.

Mr. Kovacs indicated that he would take the information to the bill drafter.

Dr. Robinson then thanked the subcommittee for the work that they had done with relation to $\underline{A}.\underline{B}.\underline{30}$ and $\underline{A}.\underline{B}.\underline{31}.$ He asked Mr. Kovacs, Chairman of the subcommittee, to make his report and informed him that he could discuss both bills at the same time since they were interrelated.

A.B. 30:

REVISES LANDLORD AND TENANT RELATION-

SHIPS IN MOBILE HOME PARKS.

A.B. 31:

PROVIDES FOR REGULATION OF MOBILE HOME PARKS.

Mr. Kovacs explained that he had passed out four hand-outs to the Committee members. The hand-outs were titled: Chronological sequence of events; History of rent control; Public hearing -- A.B. 31; and a resolution as an alternative to A.B. 30 and A.B. 31. These hand-outs are attached and marked "EXHIBITS J, J-1, J-2, and J-3".

Mr. Kovacs read excerpts from pages 5 and 6 of the History of Rent Control, which addressed the problem of the impact of infaltion on fixed incomes and offered information on other bills of the present legislature that could remedy this problem more directly than either A.B. 30 or A.B. 31. He went on to read other excerpts from pages 9 and 10 which suggested that the tenants should be educated in terms of the landlord/tenant law and outlined the functions of the mediation boards. In addition, he read the statement from page 11 of the same hand-out that indicated that more cooperation from local governments was necessary in order to alleviate the problems connected with acquiring the land and zoning necessary for the construction of mobile home parks.

Mr. Kovacs then referred to the hand-out titled "Chronological sequence of events", which listed written material that had been submitted to the subcommittee and some of the pertinent points brought out by the witnesses. He mentioned that same information and summary was included for $\underline{A}.\underline{B}.\underline{31}$ as mentioned above for $\underline{A}.\underline{B}.\underline{30}$, and that the hand-out pertaining to that bill was titled, "Public Hearing-- $\underline{A}.\underline{B}.\underline{31}$ ".

Mr. Kovacs discussed Amendment No. 404 to $\underline{A.B.}$ 30, which is attached and marked "EXHIBIT K". He indicated that if the bill was passed, an additional change would have to be made to page 4, subsection 4 of section 7 by substituting the language "mediation and arbitration between the owners of mobile home parks and their tenants" for the word "regulation".

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Mr. Kovacs said that the subcommittee had met that morning and a vote had been taken, which had resulted in the majority of of the subcommittee voting to indefinitely postpone A.B. 30 and A.B. 31. As an alternative to the two bills, Mr. Kovacs indicated that he had a subcommittee resolution that he hoped the Committee would introduce and consider. He read the resolution, which is attached as "EXHIBIT J-3".

MR. KOVACS MOVED TO INDEFINITELY POSTPONE A.B. 30 AND A.B. 31 AND IN THEIR STEAD REQUESTED A COMMITTEE INTRODUCTION AND ADOPTION OF THE RESOLUTION HE HAD READ.

Dr. Robinson indicated that the Chair was not prepared to accept a motion at that time. He further informed Mr. Kovacs that the purpose of the day's meeting was to hear the subcommittee's report and recommendations and allow the Committee time to digest the subcommittee's information along with other ideas that are coming along. He also mentioned that there had been communication from the Attorney General, which indicated that portions of A.B. 30 should actually be in A.B. 31.

Mr. Kovacs referred to the subcommittee minute books and said that the subcommittee had heard considerable testimony and was aware of the items that Dr. Robinson had alluded to. He said all of these things had been taken into consideration prior to his motion for indefinite postponement.

Mr. Prengaman indicated that although he was a member of the subcommittee, his was the dissenting vote and that he did not feel the motion or the resolution had been fully discussed. He said, "30 and 31 are simply too important of a matter to be handled in terms of a resolution and not a bill." He added, "The idea of the resolution was sort of pulled on us this morning."

Mr. Prengaman indicated that in his years in politics, he has received more complaints concerning mobile home matters than on any other issues. He added that mobile home tenants could not be looked at in the same light as apartment dwellers. He also said that the reason the legislature was faced with the problem was that for years the local governments, "have effectively been able to duck this problem." Mr. Prengaman said that he did not agree that the mediation boards had not been in operation long enough for an evaluation of their effectiveness, and that they had been effective in some areas and did not have the powers needed to be effective in other areas such as the problem of rent increases.

Mr. Prengaman stated that welfare was not a viable solution to the problem and said, "The people want to be treated fairly." He indicated that mediation and arbitration was an alternative to rent justification. He added that he thought $\underline{A}.\underline{B}.\underline{30}$ and $\underline{A}.\underline{B}.\underline{31}$ were very different bills and that each one of them

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should be reviewed on its own merits.

Chairman Robinson informed the Committee that he had been on the interim subcommittee that had studied the mobile home problems, and that $\underline{A.B.}$ 30 had six major areas of concern, of which rent control was only one area. He said one of the other major issues addressed in the bill was the provision for punitive damages for violations of the landlord/tenant law. He also mentioned the other areas as being: criteria for rules relating to guests and children; closed parks; extended length of notice for adopted or amended rules in parks; and the membership of mobile home park landlord mediation boards. He stressed that there were some good items that needed to be looked at in $\underline{A.B.}$ 30.

He then went on to itemize some of the high points of A.B. 31 mentioning such things as: uniform housing code provisions, which are available for houses and apartments and all other types of dwelling structures; health and safety specifications; administration of the mobile home park landlord/tenant law; and changes in master metering in parks.

Dr. Robinson said, "If there are some things in there that you think are bad, take them out, but don't shoot down the whole thing and take out the good things with the bad."

Mr. Chaney stated that there seemed to be an implication that the subcommittee killed the bill without reading it. He said that that was not true at all; that the subcommittee had held extensive hearings on both bills and that most of the issues he had mentioned were discussed in these hearings. He stated: "You're the Chairman. You have the prerogative to keep these bills. We're making the recommendation; you don't have to take it. You can do what you want with it, but don't sit there and imply that we didn't read the bills." He added that if there were important items to be saved out of either of the two bills. they could easily be amended into other legislation. Mr. Chaney indicated that he had received large amounts of mail both for and against the bills and that he had made his decision upon what he thought would be best for the state of Nevada and the people.

Mr. Chaney indicated that another solution to the problem was necessary and that it was not fair to the private sector to have it subsidize people that could be getting assistance from the government.

Dr. Robinson said, "Most of us, I think, have come to the conclusion that anything that would have anything to do with rent control would not solve the problem; it would make the matter worse."

Mr. Kovacs responded that he was in agreement and that with rent controls, the land owner would lose control of his land.

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Dr. Robinson added that "binding arbitration" was not a novel idea in Nevada because of the unions.

Mr. Rusk then stated that this would be just another level of regulation, "that's putting this great country of ours deeper and deeper into a hole. He added: "What I really resent is that every bit of the correspondence that I got--I didn't get thousands, but I got a couple of hundred that was in favor of these bills--kept trying to tell me that this was not rent control. Now they were being tutored by some people that were telling them that that had some credibility."

He added that as far as he was concerned, the credibility of the issues "was completely blown out of the water," because he had been hammered over the head by people trying to tell him that the bills had nothing to do with rent control. Mr. Rusk said, "That's a bunch of bologna!" He also said that he was opposed to the amendment which tried to change the language because it attempted to determine through arbitration what free enterprise provides in the development of a mobile home park and what the developer should get on his return. He remarked that he could endorse that if it worked both ways; if a park owner who was losing money could be subsidized by the tenants.

Mr. Rusk indicated that he felt the problem was with the local governments not allowing the building of enough mobile home parks. He added that he would not get involved in more regulations that, in the long run, would destroy the very system that provided the best housing in the world.

Dr. Robinson remarked that one of the interim subcommittee's hopes was that $\underline{A.B.}$ 30 would "be a hammer over the head of the local governing bodies" to make them allow the building of more parks by easing the zoning and code restrictions. He also said that the current situations would stimulate the growth of condominium type parks. He mentioned too that it had been discovered that there was a relationship between dealers and operators of mobile home parks.

Don Rhodes then informed the Committee that he would provide the members with summaries of $\underline{A}.\underline{B}.\underline{30}$ and $\underline{A}.\underline{B}.\underline{31}$ that described some of the rationale behind some of the interim subcommittee's recommendations.

Dr. Robinson questioned Mr. Kovacs if any representatives of local government had appeared at either of the subcommittee hearings.

Mr. Kovacs indicated that he had met with local officials personally and that there were representatives in attendance at the subcommittee hearings. He added that one of the reasons for the subcommittee's recommendation was the opinions of local officials with respect to the cost of implementing $A.B.\ 31$.

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Don Rhodes confirmed that the cost of implementing the bill were very high, but that the tenants had indicated during the hearing process that they would be willing to share some of the burden of the cost through a fee structure.

There was discussion among the Committee members regarding whether or not the tenants realized that if the bill was implemented, their rents would increase because the landlord would be passing his increases on to them. It was ascertained that the tenant organizations were aware of that fact, but the correspondence from the tenants themselves seemed to show that they were not aware of it.

Dr. Robinson said that the interim subcommittee had spent a considerable amount of time on the problem of providing more rental spaces.

There was discussion among the members concerning zoning for mobile homes on private residential land and the high cost of developing new parks as well as Clark County's senior citizens' mobile home park.

Mr. Kovacs then read an excerpt from the Clark County Mobile Home Study, which indicated that 94% of the people living in mobile home parks had never sought any type of mobile home rental subsidies, and that only 2% were actually receiving such subsidies. He indicated that there was a need to educate the tenants in an effort to make them aware of the options that they had available to them. He mentioned $\underline{A.B.}$ $\underline{432}$ as a partial solution to this problem. He added that the subcommittee had offered to give testimony on $\underline{A.B.}$ $\underline{432}$ when the hearings were held.

Mr. Dini questioned if state housing bonds had been a consideration for the development of mobile home parks.

Mr. Prengaman responded that the interim subcommittee had learned that there was no emphasis on mobile homes within the existing structure of state housing bonds. He also said that federal legislation has probably relegated these bonds to a thing of the past.

Dr. Robinson then said that he had a friend present that he had asked to come forward to give the Committee some ideas about alternatives to A.B. 30 and A.B. 31. He presented Elaina Blake with Robert's Realty in Las Vegas.

Ms. Blake indicated that mobile homes were the lowest costing types of housing available and that the legislative committee of the Board of Realtors had determined that senior citizens living in mobile homes, and who were on fixed incomes, had a real problem. She said that a subcommittee had been formed for the purpose of trying to come up with some solutions to the problems. Ms. Blake indicated that the subcommittee had done some

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work to look into county ordinances which required "frills" in parks.

Another suggestion from Ms. Blake was the construction of a senior citizens' apartment project with the senior citizens "manning" the project and working off some of their rent. She added that multi-housing bonds would be utilized in the building of such a project to keep the rents down. She also spoke about the JC's senior citizens' mobile home park in Clark County but noted that there could be a problem with the cost of moving the senior citizens from their present locations into the new park when it opened.

Ms. Blake commented that any type of rent control or justificawould devastate the housing industry and prevent any new parks from being built.

Dr. Robinson asked Ms. Blake if she had any details on the condominium parks being built in Las Vegas. She indicated that she was involved with sales in one of those parks and that lots were selling for approximately \$16,000. She added that with a ten percent downpayment, monthly payments would run approximately \$230 per month.

Dr. Robinson stated that this type of park would not help to solve the problems of the senior citizens.

Mr. Prengaman remarked that there was a flurry of activity from the realtors and developers whenever the legislature was in session to prevent the passage of laws pertaining to the rent increase problems. This, he indicated, left the people living in the parks open to further, unjustified rent increases for another two year period. He asked Ms. Blake how the next two years would be any different from the last two.

'Ms. Blake responded that she had not been aware of the problem previously, that she was a very concerned citizen, and that the Fair Housing Coalition would not disband this time.

Mr. DuBois stated that he had seen some figures that indicated that the cost of developing a park with "frills" was almost double that of the cost of developing a park without "frills".

Ms. Blake remarked that local ordinances, which she was not too familiar with at that point, did require a large number of amenities in mobile home parks that were not really necessary, especially for senior citizens.

Dr. Robinson remarked that the interim subcommittee had found that the problem was almost nonexistent in the rural or outlying areas of the state. He added that the MX would present a serious problem with respect to mobile home parks.

Dr. Robinson also said that even if there was no problem with

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rents, there are a number of things in the bills that need to be addressed.

Mr. Rusk asked Dr. Robinson if he was implying that the counties and cities did not have health, safety and welfare code requirements for mobile home parks.

Dr. Robinson responded that the counties and cities do have such requirements, but the enforcement and inspection procedures were inadequate. He added that he thought that in a number of areas in the state, it was up to the state, through the state Health Department, to enforce and inspect codes relating to mobile home parks.

Mr. Rhodes added that it was the Health Division's responsibility and that inspections and enforcement by the Division were a result of regulations that the Division had written in 1970, but that there was no specific statutory provision requiring or authorizing the Division to do these things.

Dr. Robinson then asked the Committee members to study the reports and give some thought as to what could be done about the problem. He also asked them to think of some alternatives to $\underline{A.B.}$ 30 and $\underline{A.B.}$ 31 in the event that the bills would not pass.

Dr. Robinson then stated that he wanted the members of the Committee to be prepared to take action on both bills on Wedensday, April 22, 1981. He also said that he would encourage the Judiciary Committee to take action on their bill as soon as it was possible for them to do so.

There was no further discussion, so Assemblyman Robinson adjourned the meeting.

Respectfully submitted,

Evely Edwards

Committee Secretary

ASSEMBLY COMMERCE COMMITTEE

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ASSEMBLY COMMERCE COMMITTEE

UBJECT A	.B. 22:	Makes pr	ovision	ns governin	ng rental	of mobile h	ome lots
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MENDMENT:							
							
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ASSEMBLY COMMERCE COMMITTEE

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DTION: Do Pass X Amend X Indefinitely Postpone Reconside Moved By Mr. Prengaman Seconded By Mr. DuBois	der
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Moved By Mr. Prengaman Seconded By Mr. DuBois	5
MOVED BY Mr. Prengaman Seconded By Mr. DuBois MENDMENT: Amendment #291 (attached to minutes as exhibit C)	
MENDMENT: Amendment #291 (attached to minutes as exhibit C)	
Moved By Mr. Prengaman Seconded By Mr. DuBois	
MENDMENT:	
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ASSEMBLY COMMERCE COMMITTEE

UBJECT A	.B. 150: Add	s mobile h	ome parks and mob	ile homes to types o
, <u>r</u>	esidential ho	using fina	nced under Nevada	Housing Law.
OTION:				
The second secon	X Amend	X Indefi	nitely Postpone	Reconsider
_				Mr. Prengaman
MENDMENT:	Amendment N	o. 171 (At	tached to minutes	as Exhibit D)
8.0				
Moved By	Mr. Jeffrey		Seconded By	Mr. Prengaman
AMENDMENT:				
Moved By			Seconded By	
	MOTION		AMEND	AMEND
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ASSEMBLY COMMERCE COMMITTEE

	A.B. 191: Requirement value of mol	res insurers to offer cove	erage for full replace
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Moved By	Mr. Jeffrey	Seconded By	Mr. Bennett
AMENDMENT:		315 (Attached to minutes	
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	T.		
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VOTE: BENNETT BRADY BREMNER CHANEY	Yes No X X Absent X X	<u>Yes</u> <u>No</u> <u>X</u> <u>X</u> <u>Absen</u> t <u>X</u> X X	<u>Yes No</u>
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ASSEMBLY COMMERCE COMMITTEE

DATE April	. 8, 1981	F2 9	•		
SUBJECT A.	B. 183: Require	s insure	rs of provide	rs of health car	e to report
* ma	lpractice claims				
MOTION:					
	X Amend X	Indefin	iteľv Postpor	ne Reconsid	der .
_					
	Mr. Rusk				
AMENDMENT:	Amendments No.	389 and	390 (Attache	d to minutes as	Exhibit F
	and F-1)				
	5		∞ 3		·····
Moved By	Mr. Rusk		Seconded By	Mr. Bennett	
AMENDMENT:			94		V
Moved By			Seconded By		
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VOTE:	Yes No		Yes No	<u>Yes</u>	No
BENNETT	<u>X</u>		<u> </u>		
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ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

SUBJECT _ A	A.B. 223: Incre	eases minimu	m amount	of ins	suran	ce covera	ge require
· ·	for 1	notor vehicl	es.				
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<u>VOTE</u> : BENNETT BRADY BREMNER	Yes No X X ABSENT		Yes	<u>No</u>		Yes	<u>No</u>
CHANEY DINI	$\frac{X}{X}$						
DUBOIS	$\overline{\mathbf{x}}$						
JEFFREY KOVACS	<u></u>				•		
PRENGAMAN	$\frac{X}{X}$	¥	-				
RUSK ROBINSON	X						
TALLY:	_ 						
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EXHIBIT A

REMARKS BY ASSEMBLYMAN ROBERT E. ROBINSON
CONCERNING MEETING OF ASSEMBLY COMMITTEE ON COMMERCE
Old Assembly Chambers
April 8, 1981

BEFORE WE BEGIN OUR REGULAR MEETING TODAY, I THOUGHT A FEW REMARKS ABOUT OUR MEETING SITE MIGHT BE IN ORDER.

THE ASSEMBLY LAST MET IN THESE CHAMBERS ON APRIL 24, 1969.

CERTAIN OF THE ASSEMBLYMEN MEETING ON THAT DAY ARE STILL WITH US

IN THE ASSEMBLY--ASSEMBLYMEN JOE DINI, PAUL MAY AND DON MELLO.

SOME MEMBERS--KEITH ASHWORTH, MEL CLOSE, VIRGIL GETTO, NORM GLASER, AND LAWRENCE JACOBSEN--HAVE GONE TO THE SENATE.

OTHERS HAVE MOVED ON TO STATEWIDE OFFICE. DICK BRYAN IS NOW ATTORNEY GENERAL AND BILL SWACKHAMER IS THE SECRETARY OF STATE. THE NAMES OF THE OTHER MEMBERS OF THE ASSEMBLY OF THE 55TH SESSION OF THE NEVADA LEGISLATURE ARE ALSO FAMILIAR TO US AND SHOULD BE MENTIONED:

BRYAN HAFEN
DAVE BRANCH
ART ESPINOZA
BOB SMITH
EILEEN BROOKMAN
NORM HILBRECHT
ZEL LOWMAN
HARRY REID
GERALDINE TYSON
WOODROW WILSON
MACK FRY
THOMAS KEAN
HOWARD MCKISSICK
ROY TORVINEN
MARGIE FOOTE

FRANK YOUNG
AUSTIN BOWLER
DR. JOHN HOMER
ROY YOUNG
TIM HAFEN
BODE HOWARD
ROSS PRINCE
GROVER SWALLOW
JOE VIANI
RANDY CAPPURRO
MARY FRAZZINI
CORKY LINGENFELTER
BART SCHOUWEILER
JIM WOOD
DOUG WEBB

THE GOVERNOR OF THE STATE IN 1969--PAUL LAXALT--IS NOW ONE OF OUR U.S. SENATORS.

ON APRIL 24, 1969, HOWARD McKISSICK, WHO WAS THEN SPEAKER OF THE ASSEMBLY, MADE SOME REMARKS ON THE FLOOR OF THE ASSEMBLY. I WOULD LIKE TO REPEAT A PORTION OF THOSE REMARKS NOW:

LADIES AND GENTLEMEN:

IN JANUARY 1871, THE FIRST SESSION OF THE NEVADA LEGISLATURE TO MEET IN THE NEWLY CONSTRUCTED CAPITOL BUILDING CONVENED IN CARSON CITY. THE EXCELLENCE OF ITS DESIGN, QUALITY OF THE MATERIALS USED AND THE BEAUTY OF THE FINISHED BUILDING ATTEST TO THE SUPERIOR WORKMANSHIP OF THE CRAFTSMEN WHO BUILT IT.

OUR STATELY CAPITOL AND ITS HISTORY REMAIN AN INSPIRATION AND CHALLENGE TO TOURISTS AND CITIZENS OF CARSON CITY. BUT AS THE CAPITOL HAS MATURED IN BEAUTY, OUR STATE AND ITS LEGISLATIVE REQUIREMENTS HAVE ALSO GROWN AND OUTGROWN THE ASSEMBLY AND SENATE CHAMBERS IN THE CAPITOL THAT HAVE SERVED US SO WELL FOR NEARLY A CENTURY.

SOUTH OF THE CAPITOL, THE STEEL AND CONCRETE SKELETON OF THE NEW LEGISLATIVE BUILDING IS OUTLINED AGAINST THE CLEAR BLUE NEVADA SKY. THE ORIGINAL TARGET DATE FOR COMPLETION IN MAY 1969 WILL NOT BE MET--IT MIGHT BE A LITTLE DRAFTY TO TRY TO MOVE IN NOW--BUT OUR NEXT REGULAR SESSION OF THE LEGISLATURE IN 1971 WILL CONVENE IN THE NEW LANDMARK ON CARSON STREET. WE TRUST THE LEGISLATIVE BUILDING WILL SEE US THROUGH THE NEXT HUNDRED YEARS.

SINCE WE ARE PROBABLY MEETING FOR THE LAST TIME IN THIS ASSEMBLY CHAMBER, I THOUGHT YOU MIGHT BE INTERESTED IN SOME OF ITS HISTORY.

EARLY HISTORY

ON MARCH 22, 1861, PRESIDENT ABRAHAM LINCOLN COMMISSIONED JAMES W. NYE OF NEW YORK AS GOVERNOR OF THE NEWLY CREATED TERRITORY OF NEVADA, AND ORION CLEMENS OF IOWA WAS APPOINTED TERRITORIAL SECRETARY. SINCE NYE WAS STRONGLY AGAINST SLAVERY, HIS SELECTION AS THE MAN TO GUIDE NEVADA INTO STATEHOOD WAS A SHREWD POLITICAL MOVE ON LINCOLN'S PART.

SAMUEL CLEMENS ACCOMPANIED HIS OLDER BROTHER TO NEVADA. HE REMAINED AS A REPORTER FOR THE VIRGINIA CITY NEWSPAPER "TERRITORIAL ENTERPRISE." WHILE ROUTINELY RECORDING THE OFTEN MONOTONOUS ACTIVITIES OF THE TERRITORIAL LEGISLATIVE SESSIONS FOR THE ENTERPRISE, SAM CREATED HIS ALTER EGO "MARK TWAIN." HIS SATIRICAL WISDOM TEETH WERE CUT BY GNAWING GOOD-HUMOREDLY UPON NEVADA'S PIONEER POLITICIANS. MARK TWAIN'S IMMORTALITY WAS ASSURED WHEN HE EXPANDED HIS GENIUS FOR SATIRE TO POKE FUN AT THE WORLD.

THE FIRST LEGISLATIVE SESSION OF THE TERRITORY OF NEVADA.

UNDER GOVERNOR NYE'S INTERIM LEADERSHIP ASSEMBLED AT CARSON CITY OCTOBER 1, 1861, AND ENDED NOVEMBER 29, 1861. THE SESSION LASTED 60 DAYS AS PROVIDED IN THE ORGANIZATION ACT OF CONGRESS. AMONG OTHER ACTIONS TAKEN AT THIS FIRST SESSION OF THE TERRITORIAL LEGISLATURE WAS "AN ACT TO PROHIBIT GAMBLING," LATER REINFORCED BY "AN ACT TO PREVENT GAMING." PASSED ON FEBRUARY 23, 1865, BY THE FIRST SESSION OF THE LEGISLATURE AFTER NEVADA BECAME A STATE.

FORTUNATELY FOR OUR STATE'S ECONOMIC WELL-BEING THE GAMBLING PROHIBITION WAS SUBSEQUENTLY REPEALED AND NEVADA EMERGED FROM THE "DARK AGES," WHEN HUMBOLDT COUNTY ASSEMBLYMAN PHIL M. TOBIN INTRODUCED THE ACT LEGALIZING GAMBLING, WHICH WAS APPROVED BY GOVERNOR FRED B. BALZAR (A FORMER ASSEMBLYMAN) ON MARCH 19, 1931.

"AN ACT FOR THE PERMANENT LOCATION OF THE SEAT OF GOVERNMENT AT CARSON CITY" WAS APPROVED NOBEMBER 25, 1861. '

THE FIRST LEGISLATIVE ASSEMBLY OF NEVADA TERRITORY, IN OCTOBER 1861, WAS PRIVILEGED TO FORWARD THE FIRST TELE-GRAPHIC COMMUNICATION ACROSS THE CONTINENT, WHICH READ:

NEVADA TERRITORY, THROUGH HER FIRST LEGISLATIVE ASSEMBLY, TO THE PRESIDENT AND PEOPLE OF THE UNITED STATES, GREETINGS:

NEVADA, FOR THE UNION EVER TRUE AND LOYAL. THE LAST BORN OF THE NATION WILL BE THE LAST TO DESERT THE FLAG. OUR AID, TO THE EXTENT OF OUR ABILITY, CAN BE RELIED UPON TO CRUSH REBELLION."

NEVADA IS KNOWN AS THE "BATTLEBORN STATE" SINCE ITS ENTRY
INTO THE UNION WAS A RESULT OF THE CIVIL WAR AND THE
ACCOMPANYING PROBLEMS. INDEED, NEVADA'S GOLD AND SILVER
ENABLED THE FEDERAL GOVERNMENT TO MAINTAIN SUFFICIENT CREDIT
TO PROSECUTE THE WAR BETWEEN THE STATES TO A SUCCESSFUL
CONCLUSION.

CAPITOL

"AN ACT TO PROVIDE FOR THE ERECTION OF A STATE CAPITOL" WAS INTRODUCED IN THE NEVADA STATE ASSEMBLY ON JANUARY 20, 1869, BY THE ASSEMBLYMAN FROM ESMERALDA COUNTY, JOHN A. MAYHUGH. AFTER A STORMY PASSAGE THROUGH LEGISLATIVE WAVES OF PROTEST, IT WAS FINALLY PASSED BY THE LEGISLATORS AND APPROVED BY GOVERNOR H. G. BLASDEL, FEBRUARY 23, 1869.

THE FIRST TERRITORIAL LEGISLATURE WAS HELD AT ABRAM CURRY'S WARM SPRINGS HOTEL, THE SITE OF THE PRESENT NEVADA STATE PRISON. THE CONSERVATIVE NATURE OF OUR EARLY STATESMEN DICTATED CURRY'S HOTEL AS THE LOGICAL MEETING PLACE, SINCE THE RENT--NOTHING--APPEALED TO ALL. FROM 1862 TO 1869, SESSIONS WERE HELD IN THE ORMSBY HOUSE ON THE CORNER OF CARSON AND 2ND STREETS, WHERE AUSTIN'S MARKET NOW STANDS, AND IN THE ORIGINAL ORMSBY COUNTY COURTHOUSE, WHERE THE PRESENT COURTHOUSE IS LOCATED.

THE NEW STRUCTURE WAS COMPLETED IN 1971. ENLARGEMENT OF THE CAPITOL WAS INITIATED MARCH 7, 1913, WHEN ASSEMBLYMAN HARRY SPORE WINSLOW OF ESMERALDA COUNTY INTRODUCED ASSEMBLY BILL 240. THIS BILL CALLED FOR THE ADDITION OF THE PRESENT SENATE AND ASSEMBLY CHAMBERS TO THE ORIGINAL BUILDING. AN APPROPRIATION OF \$60,000 WAS REQUESTED-\$50,000 FOR CONSTRUCTION OF THE TWO WINGS, \$10,000 FOR HEATING AND LIGHTING SYSTEMS AND THE FURNISHINGS. THE ACTUAL CONTRACT PRICE FOR THE ADDITIONAL WINGS WAS \$41,421. A COMPLETION DATE OF JULY 1914 WAS SET.

MR. GEORGE A COLE, CHIEF CLERK OF THE ASSEMBLY IN 1907 AND STATE CONTROLLER FROM 1915-1926, DESIGNED THE ROSTRUMS THAT

WERE INSTALLED IN THE NEW LEGISLATIVE CHAMBERS OF BOTH HOUSES IN 1913. THEY WERE CONSTRUCTED BY THE WOLLAEGER MFG. CO. OF MILWAUKEE, WISCONSIN AND DELIVERED TO DONNELS & STEINMETZ, INC., A WELL-KNOWN FURNITURE STORE OF THAT ERA IN RENO. THE LOWER ROSTRUMS IN THE ASSEMBLY AND SENATE WERE MOVED DECEMBER 27, 1966 TO MAKE ROOM FOR NEW LARGER ROSTRUMS.

LEGISLATIVE BUILDING

ON APRIL 14, 1967, THE 89TH DAY OF THE SESSION, THE SENATE COMMITTEE ON FINANCE INTRODUCED SENATE BILL 522, WHICH, AMONG OTHER THINGS, CALLED FOR AN APPROPRIATION IN EXCESS OF \$3,000,000 TO BE ALLOCATED TO THE STATE PLANNING BOARD FOR THE CONSTRUCTION OF A NEW LEGISLATIVE BUILDING. THE NEW BUILDING WOULD PROVIDE LARGER, BETTER-APPOINTED SENATE AND ASSEMBLY CHAMBERS, MORE COMMITTEE ROOMS, PRIVATE AND PUBLIC LOUNGES, AND OFFICES FOR THE YEAR-ROUND USE OF THE LEGISLATIVE COUNSEL BUREAU STAFF. WITH LIGHTNING SPEED THE MEASURE WINGED ITS WAY BETWEEN THE TWO HOUSES, THE SENATE VOTING 19-0 AND THE ASSEMBLY 33-1 FOR PASSAGE, ON THE 90TH-AND LAST-DAY OF THE SESSION. GOVERNOR PAUL LAXALT APROVED THE BILL ON APRIL 25, 1967.

COINCIDENTAL SIMILARITIES HAVE ATTENDED THE PASSAGE OF THE BILLS CONCERNED WITH PROVIDING MEETING FACILITIES FOR THE LEGISLATURE. AN ESMERALDA COUNTY ASSEMBLYMAN PROPOSED A STATE CAPITOL BUILDING IN 1869. ANOTHER ESMERALDA COUNTY ASSEMBLYMAN INTRODUCED THE 1913 REMODELING BILL. BOTH THE 1913 "WING" BILL AND THE 1967 LEGISLATIVE BUILDING BILL WERE FINALLY PASSED ON THE LAST DAY OF THOSE SESSIONS AND APPROVED BY THE GOVERNOR WITHIN THE LEGAL TIME ALLOWED AFTER THE SESSIONS HAD ENDED.

CONCLUSIONS

THIS RESUME' DOES NOT BEGIN TO COVER THE ENTIRE HISTORY OF OUR ASSEMBLY CHAMBERS OR OF THE LIVES, TIMES AND ACHIEVE-MENTS OF THE MEN WHO PRECEDED US HERE. IT IS ONLY A HUMBLE ATTEMPT TO REMIND US THAT EACH OF US PLAYS A PART--NO MATTER HOW SMALL AND INSIGNIFICANT IT MAY SEEM--IN THE PROGRESS OF OUR CITIES, COUNTIES, STATE AND COUNTRY. GOOD GOVERNMENT IS NO ACCIDENT. IT IS ACCOMPLISHED IN DIRECT PROPORTION TO THE ABILITY, INTEGRITY, RESPONSIBILITY AND DEDICATION OF THE REPRESENTATIVES CHOSEN BY OUR PEOPLE TO FORMULATE OUR LAWS. IT IS WELL THAT WE RECALL THESE THINGS AT THIS MOMENT IN THE HISTORY OF THESE HALLOWED HALLS WHEN WE ARE PERHAPS ASSEMBLED FOR THE LAST TIME.

LET US THEN HOLD FAST TO THE MEMORY OF THOSE WHO WENT BEFORE US AND, GRATEFUL THAT WE HAVE HAD AN OPPORTUNITY TO PARTICIPATE IN EVENTS THAT HAVE TAKEN PLACE HERE, LET US GO FORWARD WITH CONFIDENCE TO OUR NEW DUTIES IN OUR NEW ASSEMBLY CHAMBER IN THE SOON-TO-BE-COMPLETED LEGISLATIVE BUILDING.

LET US TAKE WITH US THE SAME PIONEER SPIRIT OF ALL THE ASSEMBLYMEN OF THE STATE OF NEVADA WHO HAVE HELPED TO SHAPE OUR DESTINY, THE WILLINGNESS TO ENFORCE WHAT IS JUST AND THE COURAGE TO CHANGE WHAT IS WRONG. LET US NOT FALTER IN TAKING FORWARD STEPS TO INSURE THAT OUR NEVADA PEOPLE, NOW AND IN THE DAYS TO COME, MAY LIVE IN PEACE AND CONTENTMENT WITH EACH OTHER AND PEOPLE OF THIS GREAT UNITED STATES.

LET'S MAKE THE 36TH STAR OF THE UNION THE BRIGHTEST IN OUR NATION!

I BELIEVE HOWARD McKISSICK SHOWED A LOT OF INSIGHT IN HIS REMARKS.

WE HAVE NOW BEEN IN OUR NEW BUILDING FOR 10 YEARS. THOSE 10 YEARS HAVE SEEN HISTORICAL EVENTS IN OUR NATION AND STATE THAT SEEM LIKE THEY COULD HAVE FILLED A NORMAL LIFETIME IN CALMER ERAS.

OUR NEW BUILDING HAS SERVED US WELL BUT, WITHIN A FEW YEARS, IT MAY NEED TO BE REMODELED AND EXPANDED TO MEET THE EVERGROWING DEMANDS PLACED ON OUR STATE LEGISLATURE.

THE ROOM WE ARE NOW SITTING IN IS, AS YOU KNOW, A RE-CREATION.

THE 1977 LEGISLATURE AUTHORIZED THE EXPENDITURE OF \$6 MILLION TO RENOVATE THE CAPITOL WHICH HAD BECOME UNSAFE DUE TO AGE AND MODIFICATIONS WHICH HAD WEAKENED IT.

THE BUILDING WAS CLOSED ON NOVEMBER 30, 1977, AND GUTTED TO AN EMPTY SHELL--NOTHING WAS LEFT BUT THE STONE VENEER.

THE WALLS WERE BRACED AND INSOFAR AS POSSIBLE THE INTERIOR WAS RESTORED AS IT HAD BEEN BUILT. THERE WERE CERTAIN CHANGES FOR EFFICIENCY SAKE. BUT, THESE CHAMBERS WERE REBUILT AS NEW. WHEN THE BUILDING REOPENED IN JANUARY 1980, THE AIR, ATMOSPHERE AND THE HISTORICAL INTEGRITY WERE PRESERVED. THAT IS A FINE TRIBUTE TO THE CONSCIENTIOUS ARCHITECTS, ENGINEERS AND WORKMEN WHO PERFORMED THE RESTORATION JOB WITH SUCH CARE AND DILIGENCE.

I THINK THAT AFTER 10 YEARS IN OUR NEW BUILDING IT IS FITTING TO PAY TRIBUTE TO THIS OLD CAPITOL BUILDING WHICH SERVED THE NEVADA LEGISLATURE SO WELL FOR 100 YEARS.

THANK YOU VERY MUCH FOR YOUR INDULGENCE WHILE I RECOUNTED THIS IMPORTANT PART OF NEVADA'S HISTORY.

EXHIBIT B



NEVADA DEPARTMENT OF COMMERCE MANUFACTURED HOUSING DIVISION

CAPITOL COMPLEX

CARSON CITY, NEVADA 89710 (702) 885-4298

JAMES WADHAMS
DIRECTOR

A. WAYNE TETRAULT
ADMINISTRATOR

ROBERT LIST GOVERNOR

MEMORANDUM

March 10, 1981

TO:

Assemblyman Robert Robinson

FROM:

A. Wayne Tetrault, Administrator

SUBJECT:

Legal opinion on Real Estate Recovery Fund

Re: AB 25

Enclosed is a copy of the applicability of the real estate recovery fund to brokers licensed as limited mobile home dealers.

AWT/pg

Enclosure

A. Wayne Tetrault, Administrator

MOX

James I. Barnes, Chief Deputy Attorney General

PATE I VED

SUBJECT

Applicability of Real Estate Recovery Fund to Brokers Mall Licensed as Limited Mobile Home Dealers

1981 B ARR

STATE OF NEVADA STATE OF NEVADA HANUFACTURED HOUSING DIVISION CARBOLL DITY

QUESTION:

Would an adverse court judgment (i.e. for fraudulent, etc., activities) incurred by a Real Estate Licensee, while acting as a licensed Limited Used Mobile Home Dealer, be recoverable from the Real Estate Recovery Fund?

ANALYSIS:

Under Nevada Revised Statutes 489.331, Limited Used Mobile Home Dealer's Licenses are only available to licensed real estate brokers. The limited license permits a broker to sell a mobile home where the sale is incidental to the sale of the interest in real property and the home is situated upon the property sold.

NRS 645.844 permits judgment creditors to obtain compensation from the Real Estate Education, Research and Recovery Fund under certain conditions AND only "with reference to any transaction for which a license is required under this chapter..." (Emphasis added). "This chapter" refers to Chapter 645 of NRS, not Chapter 489 of NRS. The quoted passage is ambiguous with respect to the present question. On one hand, it could be argued that the license required for the transaction is not required under Chapter 645 of NRS but that it is required under Chapter 489 of NRS. However, this argument would be specious.

In analyzing the problem, it should be remembered that as a remedial measure, the Recovery Fund provisions should be cons rued liberally in favor of the defrauded consumer. McGaughey v. Fox, 156 Cal. Rptr. 593, 597, 94 Cal App. 3d 645 (1979); Fox v. Prime Ventures, Ltd. 150 Cal. Rptr. 202, 204, 86 Cal. App. 3d 333 (1978)

The statutes which license regular mobile home dealers do not specifically authorize them to broker any interest in real property. NRS 489.076, 489.331. Further, (aside from some immaterial exceptions), Chapter 645 of NRS specifically prohibits all but real estate licensees from brokering real property sales. NRS 645.230, 645.240, 645.260. Therefore, the only persons qualified to broker such mobile home/property interest sales are those licensed under Chapter 645 of NRS. Thus, NRS 645.844 permits payment out of the recovery fund for a judgment based on such a transaction.

A. Wayne Tetrault March 3, 1981 Page Two

Cal. Bus. & Prof. Code \$\|10471\$ has a provision which is very similar to NRS 645.844. While the Nevada Statutes have not been judicially construed, \$\|10471\$ has been the subject of much recent litigation. However, no California case has addressed the present issue. In McGaughey, supra, the court refused recovery when it was shown that the broker had acted for himself. Since one may act for oneself without being licensed, the court held that the statutory requirement was lacking. The transaction presently under discussion does require licensure as a broker. The other cases were decided under the same rationale and can be distinguished similarly. Fox v. Prime Ventures, Ltd, supra, Powers v. Fox, 158 Cal. Rptr. 92, Cal. App. 3d 446 (1979).

CONCLUSION:

An adverse court judgment incurred by a Real Estate Licensee, while acting as a licensed Limited Used Mobile Home Dealer, would be recoverable from the Real Estate Recovery Fund.

EXHIBIT C

1981 REGULAR SESSION (61st)

2 702 1330	
ASSEMBLY ACTION SENATE ACTION	Assembly AMENDMENT BLANK
Adopted	AMENDMENTS to Assembly Joint
Date: Date:	Bill No. 25 Resolution No.
Initial: Concurred in Not concurred in Not concurred in	☐ BDR43-15
Date: Date:	Proposed by Committee on Commerce
Initial:	
*	Replaces Amendment No. 89.
Amendment Nº 291	Resolves conflict in section 16 with section 13 of A.B. 142 and makes substantive changes.
Amend section 1, page 1, 1	line 2, by deleting "14," and inserting
"16,".	-
Amend sec. 2, page 1, line	e 3, after " <u>recovery</u> " by inserting:
"relating to mobile homes".	
Amend sec. 11, page 3, lin	ne 37, after " <u>recovery</u> " by inserting:
"relating to mobile homes".	
Amend the bill as a whole	by renumbering sections 15 through 20
as sections 17 through 22 as	nd by adding two new sections designated
sections 15 and 16, following	ng section 14, to read as follows:
"Sec. 15. 1. If any per	son to whom the administrator has directed
a subpena refuses to attend	, testify or produce evidence which the
subpena requires, the admin	istrator may present a petition to the
district court for the judic	cial district in which the investigation
or hearing is being carried	on, setting forth that:
(a) Notice has been give	n of the time and place at which the
person was required to atte	nd, testify or produce evidence;
(b) A subpena has been s	erved on the witness or custodian of the
evidence in sufficient time	to enable him to comply with its pro-
visions; and	· ·
(c) The person has faile	d or refused to attend, to answer ques-
tions, or to produce eviden	ce required by the subpena, and asking
that the court issue an ord	er compelling the person to attend and

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Drafted by DGS: smc Date....

to testify or produce the evidence specified in the subpena.

3-18-81

- 2. When the district court receives a petition from the administrator, it shall order the person to whom the subpena was directed to appear at a time and place fixed by the court in its order, which must be not more than 10 days after the date of the order, and show cause why he should not be held in contempt. A certified copy of the order must be served on the person to whom the subpena was directed.
- 3. If it appears to the court that the subpena was properly issued by the administrator and that there is not sufficient reason that the person failed or refused to appear, the court shall order the person to appear at the time and place fixed by the court and to testify or produce the required evidence. If the person fails to comply with the order of the court, he must be punished as for a contempt of court.
- Sec. 16. 1. Whenever the administrator finds a violation of this chapter or of the prohibition in NRS 118.270 against charging or receiving any entrance or exit fee, or of any regulation adopted pursuant to this chapter, he may issue a notice of violation to the person who he alleges has violated the provision. The notice of violation must set forth the violation which the administrator alleges with particularity and specify the corrective action which is to be taken and the time within which the action must be taken. If the person is alleged to have violated the prohibition in NRS 118.270 against charging or receiving any entrance or exit fee, the notice of violation must specify that the fee be repaid in full, and any other corrective action which the administrator deems necessary.
- 2. If the person to whom a notice of violation is directed fails to take the corrective action required, the administrator shall:
- (a) Apply to the district court for the judicial district in which the violation is alleged to have occurred for an injunction and any other relief which the court may grant to compel compliance;

- (b) Request the district attorney of the county in which the violation is alleged to have occurred to prosecute the person for the violation; or
- (c) If the person is alleged to have violated the prohibition in NRS 118.270 against charging or receiving any entrance or exit fee, assess a penalty against the person equal to three times the amount of the fee which was charged or received. The assessment of a penalty pursuant to this paragraph is a contested case.
- 3. Any person who is found to have violated a provision of this chapter, the prohibition in NRS 118.270 against charging or receiving any entrance or exit fee, or a regulation adopted pursuant to this chapter, is liable for the cost incurred by the division in enforcing the provision."

Amend sec. 16, page 5, line 5, after "documents;" by inserting "and".

Amend sec. 16, page 5, line 6, by deleting "hearings; and" and inserting "hearings.".

Amend sec. 16, page 5, by deleting line 7.

Amend sec. 16, page 5, lines 9 and 10, by deleting "development of" and inserting "developing".

Amend sec. 16, page 5, line 25, after "any" by inserting:
"mobile home park or dealer's place of business or any".

Amend sec. 16, page 5, lines 28 and 29, by deleting "manufacture of" and inserting "manufacture and sale of".

Amend sec. 16, page 5, line 35, after "chapter" by inserting:

"or of the prohibition in NRS 118.270 against charging or receiving any entrance or exit fee".

Amend the bill as a whole by renumbering section 21 as section 24 and adding a new section, designated section 23, following section 20, to read as follows:

"Sec. 23. NRS 489.571 is hereby amended to read as follows:
489.571 l. Whenever a security interest is created in a mobile
home or commercial coach, the certificate of ownership must be

delivered to the division with a statement signed by the debtor showing the date of the security agreement, the names and addresses of the debtor and the secured party.

- 2. The division shall issue to the secured party a certificate of ownership with the name and address of the secured party and the name and address of the registered owner noted on it.
- 3. When the contract or terms of the security agreement have been fully performed, the seller or other secured party who holds the certificate of ownership shall deliver the certificate to the person legally entitled to it with proper evidence of the termination or release of the security interest.
- 4. When a mobile home becomes real property, the dealer or cwner shall deliver all documents relating to the mobile home in its former condition as personal property to the division within 45 days after the date on which the conversion took place."

Amend the bill as a whole by renumbering sections 22 and 23 as sections 26 and 27 and adding a new section, designated section 25, following section 21, to read as follows:

- "Sec. 25. NRS 361.244 is hereby amended to read as follows:

 361.244 l. A mobile home, as defined in NRS 361.561, [constitutes] is eligible to become real property if the running gear is removed and:
- (a) It becomes, on or after July 1, 1979, permanently affixed to land which is owned by the owner of the mobile home; or
- (b) It became so affixed before July 1, 1979, and the owner files with the county assessor by May 1, 1980, a statement declaring his desire to have the mobile home classified as real property.
- 2. A mobile home becomes real property when the assessor of the county in which the mobile home is located has placed it on the tax roll as real property. The assessor shall not place a mobile home on the tax roll until:

- (a) He has received verification from the manufactured housing division of the department of commerce that there is no security interest in the mobile home; or
- (b) Holders of security interests have agreed in writing to the conversion of the mobile home to real property.
- 3. Factory-built housing, as defined in NRS 461.080, constitutes real property if:
- (a) It becomes, on or after July 1, 1979, permanently affixed to land which is owned by the owner of the factory-built housing; or
- (b) It became so affixed before July 1, 1979, and the owner files with the county assessor by May 1, 1980, a statement declaring his desire to have the factory-built housing classified as real property.".

Amend sec, 23, page 9, line 27, after "recovery" by inserting: "relating to mobile homes".

Amend the bill as a whole by adding a new section designated section 28, following section 23, to read as follows:

"Sec. 28. Section 18 of this act shall become effective at 12:01 a.m. on July 1, 1981.".

Amend the title of the bill on the second line by deleting "recovery;" and inserting "recovery relating to mobile homes;", and on the fourth line before "making" by inserting:

"amending provisions relating to the conversion of mobile homes from personal property to real property;".

EXHIBIT · D

1981 REGULAR SESSION (61st)

ASSEMBLY ACTI	ON	SENATE ACTION	٧	Assembly	AMENDMENT BL	ANK
Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:	00 00	Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:	00 00		Recolution No	
Amendment	N	9 171				

Amend section 1, page 1, by deleting lines 13 and 14 and inserting:
"residential living for eligible families. The term "residential
dwelling unit includes:

- 1. A mobile home; or
- 2. Real property to be rented for occupancy by a mobile home, whether or not the mobile home itself is financed under this chapter."

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Date | 3-5-8

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EXHIBIT E

1981 REGULAR SESSION (61st)

ASSEMBLY ACTI	ON SENATE ACTION	ৰ 🏢 .	ASSEMBLY AMENDMENT BLANK
Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:	Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:		AMENDMENTS to Assembly Bill No. 191 Peschuien No. BDR 57-707 Proposed by Committee on Commerce
Amendmen	Nº 315		

Amend section 1, page 1, by deleting lines 4 through 9 and inserting:

"homes in Nevada shall offer, in addition to any other insurance, insurance to pay the market value of the mobile home in the event of a total loss of the mobile home."

Amend section 1, page 1, line 10, by deleting "3." and inserting "2.".

Amend the title of the bill on the second line by deleting: "replacement" and inserting "market".

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Engrossment

Bill

Drafted by DS:ml Date 3-23-81

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EXHIBIT F

1981 REGULAR SESSION (61st)

ASSEMBLY ACTION SENATE ACTION		Assembly AMENDMENT BLANK		
Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:		Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:	00 00	AMENDMENTS to Assembly Bill No. 183 Resolution No. BDR 57-684 Proposed by Committee on Commerce
Amendment	ı N	. 389	Co	onsistent with Amendment No. 390

Amend section 1, page 1, line 7, after "claim," by inserting
"if the settlement, award or judgment is for more than \$5,000,".

Amend section 1, page 1, line 14, by deleting "claim" and
inserting "claim, if the settlement, award or judgment is for
more than \$5,000,".

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1981 REGULAR SESSION (61st)

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT	BLAN
Adopted Lost	Adopted C	AMENDMENTS to	Assembly	
Date: Initial:	Date: Initial:	Bill No. 183	-Resolution No	
Concurred in Not concurred in	Concurred in Not concurred in	BDR 57-684		
Date: Initial:	Date: Initial:	Proposed by Mr.	Robinson	
	i iiiiiat.			
	[· · · · · · · · · · · · · · · · · · ·		
Amendment N	10 200			6
Amenument 1	[6 380	Consistent with Amer	idment No. 389.	
				ii)
Amend se	c. 2, by deleting 1	lines 20 through 22 or	n page 1 and	
lines 1 and	d 2 on page 2 and i	inserting:		
"Sec. 2.	NRS 49.245 is her	eby amended to read	as follows:	
49.245		is no privilege under NRS 49.2	25 or	
		vant to an issue in proceedings to		
d		illness, if the doctor in the countermined that the patient is in ne		
	2. As to communications t	made in the course of a court-or f a patient with respect to the part		
Y90	3. As to communications r	ess the court orders otherwise. elevant to an issue of the conditi		
	laim or defense.	which the condition is an elemen		
1	IRS.	damus proceeding under chapter - ommunicated to a physician in an		
	niawfully to procure a dange	erous drug or controlled substant ministration of any such drug of	ce, or	
S	tance. 6. [In a hearing before a	screening panel under chapter 4	*	
·		on placed in health care records	which	
.a	re furnished in accordance wit	h the provisions of NRS 629.061."		
Amend th	e bill as a whole h	by adding a new secti	on designated	
section 3.	5, following section	on 3, to read as foll	ows:	
"Sec. 3.	5. NRS 630.364 is	hereby amended to re	ad as follows:	
630.364		The board of medical		
	panel,] a medical society, or	of a hospital, [a medical-legal so any person who or other orgal ny lawful investigation or proceedi	nization	
	cerning the discipline of a p	physician for gross malpractice, re	repeated	
	consequential damages, if th	n for such that initiation of the person of organization acted		
	malicious intent."		an decimated	
		by adding a new secti		
		n 14, to read as foll		
"Sec. 1	5. NRS 41A.010 to	41A.095, inclusive, a	re hereby repeale	α.
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LCB File Journal				
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Bill	Draft	ed by		•

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Amend the title of the bill on the fourth line before "and" by inserting "abolishing medical-legal screening panels; ".

As requested, the following is the information given to me over the telephone on April 1, 1981, on the proposed increases in rates as they would apply to increases in financial responsibility limits for insureds under the Assigned Risk Plan. The rates quoted are for Clark County. (Washoe County rates and rates for the rest of the state are, as I understand it, slightly lower and I will be happy to obtain that information also, if the Committee so desires.)

Three rating classifications, comparing the current 15/30/5 limits with those under a proposed increase to 25/50/10, are given in the examples below:

1. "1B" Personal passenger car, driven less than 10 miles to and from work (driver over 25 years of age)

ş			Current Limits and Rates	Proposed Increased Limits and Rates
			15/30/5	25/50/10
			b _ 8	
		. BI:	\$ 170	\$ 240
		PD:	\$ 104	\$ 112
			\$ 274	\$ 352
		Allowable Surcharge:	\$ 27	<u>\$ 35</u>
•		TOTAL:	\$ 301	\$ 387
2.	11311	Business Use		
		BI:	\$ 203	\$ 286
Ď		PD:	\$ 124	<u>\$ 134</u>
			\$ 327	\$ 420
		Allowable Surcharge:	\$ 32	\$ 42
		TOTAL:	\$ 359	\$ 462
3.	"2C"	Underage minor - prir	nciple driver of th	e vehicle
194		BT:	\$ 486	\$ 685

	BI:	\$	486		\$ 685
	PD:	<u>\$</u>	297		\$ 321
		\$	783		\$ 1006
Allowable	Surcharge:	\$	79	9	\$ 1.101
	TOTAL:	\$	862		\$ 1107

Virgil anderso597

Honorable Robert E. Robinson
Chairman, Assembly Commerce Committee
Legislative Building
Carson City, Nevada 89701

Re: AB 223 - Financial Responsibility Limits

Dear Mr. Robinson:

It is our understanding that your Committee is considering an increase in the required limits of liability insurance that must be carried by motorists in Nevada. If so, we wish to respectfully request that consideration be given to the subject matter of an adequate lead time for implementation, also to clarify that the increase applies to new and renewal policies issued after the effective date.

Insofar as adequate lead time is concerned, we would like to suggest that the law not become effective until at least January 1, 1982. This lead time is necessary for computation and approval of the new rates, as well as to provide the necessary programming for company computer operations.

Secondly, clearly stating in the new law that the increases apply to new and renewal policies issued after the effective date would be in keeping with the rating and premium charges made for the current limits. Furthermore, it eliminates any potential ambiguity that the increase is intended to be retroactively applied to existing contracts of insurance, and which, of course, could be construed as violating the constitutional guaranty against impairment of an existing contract.

Your support for, and consideration of, these suggestions will be appreciated.

Sincerely.

Virgil P. Anderson

Calif. State Auto Assn.

(Nevada Division)

Richard R. Garrod
Farmers Insurance Group

VPA/RRG: emg

VEHICLE LIABILITY INSURANCE

AB 190

Present System - 1979 Legislation

Major Components

April 3, 1981

1- Prior to Registration

- a- Evidence of current insurance card from insurance carrier must be presented to DMV and it must show company, policy no., vehicle ID, date of expiration, name and address of insured.
- b- Self-certification on registration or renewal certifying "have and will maintain insurance during term of registration.", signed and dated.

2- After Registration

- a- Required to carry evidence of current insurance card in vehicle at all times.
- b- DMV maintains a copy of signed self-certification in Carson City.

3- Enforcement

- a- May be subject to a citation if unable to produce evidence of current insurance card after an accident or a traffic stop.
- b- May be subject to prosecution for gross misdemeanor for false certification under 1-b above.

4- Cost

a- Minor cost in employee time of processing 1-a evidence of insurance card at time of every registration and renewal.

Analysis:

Benefits

a- Has reduced the uninsured to between 13.1% and 17%. These figures are from the Driver's Report of Accident (SRI), filed with DMV and tabulated in March, 1981. All reports from December, 1980, January, 1981, February, 1981 were tabulated.

Disadvantages

a- Public resentment at having to provide evidence of current insurance card as a prerequiste to registration, knowing that anyone who wants to can cancel the insurance the next day without anyone checking.

The public is aware that the requirement is ineffective.

DRIVER'S REPORT OF ACCIDENT SR-1 ACTIVITY

Month	Number Received	Number Insured	Number Not Insured	Number F/R Suspension	Number Mail Returned
Dec.80	1,852	1,632	103	74	43
Jan.81	1,227	953	63	144	67
Feb.81	1,204	816	52	103	53
Total	4,103	3,401	218	321	163
rcenta	a g e s	83.0%	5.3%	7.8%	3.9%

NEVADA

MOTOR VEHICLE INSURANCE (MVI)

Proposed System - 1981 Legislative Proposal

Major Components

April 8, 1981

- 1- Prior to Registration
 - a- Deleted
 - b- Self-certification on registration or renewal certifying "have and will maintain insurance during term of registration", signed and dated.
- 2- After Registration
 - a- Required to carry evidence of current insurance card in vehicle at all times.
 - b- DMV maintains a copy of signed self-certification in Carson City.
- 3- Enforcement
 - a- May be subject to a citation if unable to produce evidence of current insurance card after an accident or a traffic stop.
 - b- May be subject to prosecution for gross misdemeanor for false certification under 1-b above.

New Components (Legislation required)

- 4- Random Sampling Negative Response System
 - a- DMV shall select, over an annual period, on a random sample basis, not more than 10% of the motor vehicles registered in this state, for motor vehicle insurance verification.
 - b- DMV shall send a letter and certification form to the registrant who must return the certification form within 15 days with the name of the insurance carrier and policy number.
 - c- DMV shall send the returned certification forms to the appropriate insurance carriers for negative verification. The insurance carriers shall return to DMV only the cards which are not correct certifications.
 - d. DMV shall suspend the vehicle registration and license plates if certification form is not received from registrant within 15 days or upon negative response from the insurance carrier.

Motor Vehicle Insurance (MVI)
Proposed System - 1981 Legislative Proposal
April 8, 1981
Page - 2 -

- e- Notice of suspension will contain a demand for the return to DMV of the vehicle registration and licenses. If not returned in 15 days DMV inspectors will remove registration and plates.
- f- DMV shall reinstate the vehicle registration and license only upon filing of proof of future financial responsibility for a period of three years.

5- Costs

Staff employees - 3 vehicle inspectors and 4 clerical Postage Forms Envelopes Supplies Equipment

. Analysis:

Benefits

- a- In Oregon this system has reduced the uninsured to under 5%, as tabulated from the Oregon driver reports of accidents filed with Oregon DMV.
- b- The public has accepted this system and generally support it.

Disadvantages

a- Costs \$122,245 - 1981/82 and \$230,342 in 1982/83

HISTORY OF RENT CONTROL

Nationwide rent control was established during World War II through the Emergency Price Control Act of 1942 as a part of the wartime price control system. Federal controls were discontinued in 1952 and by the mid 50's only New York City and its environs had rent controls.

Nationwide rent control was reimposed in 1971 as part of the Nixon Administration's wage and price controls - a result of troubling economic conditions, not a war-related emergency. Since the lifting of Nixon wage and price controls in 1973, there have been sporadic attempts at rent control primarily in older Eastern cities and college communities. With the growth of concern about inflation, efforts to enact rent control have increased.

There is no evidence of an area in which rent control has proven successful in increasing the supply of affordable housing, halting the ravages of inflation or decreasing rent levels. There is a large volume of evidence of the uniformly adverse effects.

Senator Thomas F. Eagleton (Democrat, Missouri), Chairman of of the Senate District of Columbia Committee, investigated the impact of rent controls in Washington and concluded that they don't work. His comments, the words of a well known liberal who is generally sympathetic to urban needs, are worth quoting: "Government has a responsibility to guarantee all citizens an opportunity for decent and affordable housing. However, my experience with rent control has shown that this is not the way to reach our goal. While it may offer the tenant some short term economic benefit, in the long run it leads to deteriorated housing, apartment shortages and higher rents. In other words, rent control eventually works against the people it is supposed to help."

Rent control is usually imposed by a local government under the authority of its police powers as a temporary response to a public emergency. As defined in AB 30 "an emergency exists where the governing body finds that the percentage of vacancies is 5% or less." Low vacancy factor, the emergency trigger, implies a critical shortage of rental housing. Yet, the response to the emergency, rent control, will do absolutely nothing to alleviate the shortage of rental housing. Testimony, both oral and written, cited instance after instance where rent control has made matters worse and led to a decline in housing stock.

The apparent immediate effect of rent control is obvious, while its destructiveness takes longer to notice. A surface look suggests that benefits accrue to a relatively large group, tenants who are perceived as having limited finances, while the costs are imposed on a relatively small group, landlords who are perceived as able to afford it. The full extent of the costs of rent control is not evident until several years after its enactment. These costs are not limited to the reduced profits of landlords, but extend in yarying degrees to every member of the community.

In its 15th Interim Report to the Mayor on the effects of rent controls, the Temporary Commission of New York City Finances said: "Calculation of the costs versus the benefits of rent control with regard to the city's housing, finances and economy, clearly demonstrates the net adverse effect of rent control and rent stabilization. The effect, if not the purpose, of rent control is subsidization of renters by owners."

Proponents made constant reference to the fact that AB 30 is only enabling legislation requiring regulation of rental increases in mobile home parks in emergency situations. Opponents pointed out the bottomline — if a rent increase is not justified to the satisfaction of the local board, the board is authorized to deny the increase, i.e. control the amount of the increase. Substitution of justification for regulation or control does not change the control mechanism available to local boards or the ultimate outcome. Local and national builders, investors and financial institutions do not differentiate among the various types of rental housing. If controls are enacted, they are viewed as inevitably progressing through the entire rental housing industry.

THE COSTS OF RENT CONTROL

1. Decrease in quality of life

The condition of one's immediate neighborhood is a major factor in assessing quality of life. Following the imposition of rent control, as costs rise, the owner either accepts a rate of return that is not competitive with investments of comparable risk or attempts to reduce costs to equalize the return. The only way to reduce cost is to limit or postpone expenditures for maintenance and repair. Most expenses are fixed obligations such as taxes, insurance, principal and debt service; maintenance and repairs are among the few Major renovation and upgrading does not occur, because variables. owners are not able to pass along enough of the cost to justify the outlay. Pass through provisions, although included in many rent control laws, are always limited. With maintenance and repair expenditures reduced, a decaying process begins. Roads and walkways deteriorate, landscaping receives less care, common facilities are in disrepair or closed. The once pleasant park becomes rundown, hazardous and undesirable. Certainly no bargain even at the controlled rent level.

2. Increase in administrative costs

Any community that adopts rent control must establish an additional bureaucracy to administer the program and incur the resulting expenses. The cost to a community depends upon the number of units subject to control and the complexity of the procedure for determining allowable rent levels. Whether the law calls for justification, regulation or control, the administrative need is the same, because the community is now in the business of determining rent levels.

Considerable testimony was received regarding the definition of "regulation of increases in rents charges." Testimony was also offered in connection with determining proper justification for the increases.

Many court cases have been filed in an attempt to establish "fair rate of return." AB 30 was referred to as the "1981 Accountant and Attorney Retirement Act" indicating the view among those professionals that the multitude of possible directions available to justify cost increases was beyond the scope of knowledge and experience of lay persons who would serve on a rent justification board, and that certainly there would be an increase in the amount of litigation in our already overcrowded courts to determine "fair rate of return" on a case by case basis. Even the provision allowing local government to declare an emergency is subject to interpretation and was questioned by the Clark County Manager and District Attorney's Office in written testimony.

According to testimony submitted by the Clark County Manager's Office, a conservative estimate of staff needed if rent controls were instituted included:

- a. An analyst to evaluate vacancies and rent rates;
- b. A budget analyst to review rent increases and analyze mobile park records;
- c. A deputy district attorney to review grievances and process complaints;
- d. Inspector (s) to review complaints or inspect new requirements;
- e. Full time clerical help to process work load of rent control board. The cost estimate was a minimum of \$200,000.

In addition to administrative costs there are other substantial expenses, such as the entire range of judicial proceedings, which must be borne by the community.

3. Shift in the property tax burden

The imposition of rent control causes a decline in the market value of rental properties which translates into lower property tax assessments. If a community is to maintain its present level of services, other types of property in the community, the bulk of which is owner occupied homes, must pay proportionally higher taxes. This hidden cost of rent control is imposed on homeowners without regard to their level of income creating a situation in which one group of people (single family homeowners) is subsidizing another group (tenants) of equal or higher incomes.

Evidence shows that cities that adopt rent control experience an increase in the rate of property tax delinquencies as owners of controlled rental properties find it difficult to meet their financial obligations. The unanticipated reduction in local tax revenues leads to severe budgeting problems. In addition, high delinquency rates have a negative influence on a local government's bond rating which creates an additional financial burden to a community.

4. Decline in housing supply

Rent controls exert a retarding influence on the construction of new rental properties. Return on investment is too low to attract builders, owners and investors. Although new construction is frequently exempt from controls, investors can never be certain that the rental units they construct will not be brought under controls at some future date. In fact, extending controls has been the rule rather than the exception.

Rent control causes a decline in the profitability of rental properties, because a limit is placed on income but no constraints are placed on increases in operating expenses. The consequence of this decline in profitability is a decline in the market value of rental property. As an income producing asset, investors view rental housing as undesirable. Financial institutions are unwilling to finance in controlled rent areas or insist on more costly credit terms, because of the increased probability of default on mortgages and the declining value of the property that is the security for the mortgage.

Washoe County Commissioner, B. Williams, testified that two years ago when the legislature was considering rent control legislation, two applications for funding for housing development projects were turned down based on the fact that rent control was just being considered.

In cities with a long history of rent control, construction statistics clearly show the limiting affect of rent control on the private non subsidized rental housing supply. According to D. Wilkerson of Mason-McDuffie Investment Co. of Nevada, "Oftentimes, rent controls have proven to exacerbate rather than remedy the situation, insofar as rental housing is concerned. This has been proven time and time again in areas such as New York, Boston, and Washington D.C. More recently, rent controls were enacted in portions of the Los Angeles area, the direct result being the virtual elimination of new construction in the effected areas."

Another response to controlled rents that serves to decrease the supply of rental housing is conversion to condominiums. Converted units which are typically lower priced than comparable new condominiums are in demand. The owner of an unprofitable rental property while protecting investment, acts to further reduce the housing stock. Condominium conversion is a recent option. In New York where rent control removed the economic incentive to maintain property, decay and abandonment were the result, also reducing the rental housing stock.

5. Loss in economic activity

The decline in construction which inevitably follows regulation of rents results in ecomonic loss to a community both in terms of the actual construction expenditures and the expenditures for goods, services and local taxes of construction wage earners and new renters. Not only new construction, but expenditures for maintenance and repair have a multiplying effect through a community's economy. Communities that inhibit new construction and outlays for maintenance and repair through rent regulation, create an environment in which rental properties and the tax base deteriorate and the local population is prevented from additional employment and income opportunities.

THE PROBLEM - THE IMPACT OF INFLATION ON FIXED INCOMES

Rent control does not address the underlying problem of inflation which is the real culprit in the lives of older Nevadans on low or fixed incomes. The Mobile Home Owners League of the Silver State, Inc. survey includes ten pages of comments from residents of 14 parks. Most comments expressed distress far beyond the issue of rent. "As the cost of living increases in every area of living (food, clothing, utilities, etc.) we have a harder time getting along. Perhaps some mobile home parks especially for senior citizens on fixed income would be the answer." "It is very hard to keep up with the rise in all prices." "People on fixed incomes are just surviving as it takes all to pay our rent, utilities and food". ... not only does rent increase but also the cost of food, clothing and utilities." According to the Consumer Price Index using the S.F./Oakland area statistics as the statistics most similar to Nevada, rental costs have not increased as rapidly as the aggregate of index items.

		Rent	All Items
Oct.	1977-78	5.8	7.2
	1978-79	10.4	14.6
	1979-80	12.8	13.7

Rental expenditure is very visible. Yet, it provides nothing new, just the same home one lived in last month. Consequently, rent becomes the target and rent control the proposed solution while double digit inflation impacting on a fexed income population is the issue.

Directly addressing the issue are a number of assistance programs available to older Nevadans already in place or proposed to the 1981 Legislative session.

In place - Supplemental Security Income Medicare
State aid to the medically indigent Food stamps
Rent subsidies

Widows property tax exemption
Fuel bill assistance
Weatherization
Nutrition programs (at centers and home bound)
Health clinics
Visiting homemakers program
Transportation program
Legal assistance
Senior employment
Protective services
Ombudsmen (nursing home)
Information and referral services (L.V. and Washoe)
Limited areas: Minor home repair

Hearing aid, glasses, financial assistance

Proposed -	· AB 20 -	Provides refund of sales and use tax paid
_		on certain mobile homes
	AB 97, 125 -	Increases assistance to elderly for portion
	·	of rent deemed to constitute property tax
	AB 128 -	Requires notification of property tax paid
	AB 131 -	Provides assistance to certain elderly in
		obtaining insulation
	AB 132 -	Provides assistance to certain elderly in
		obtaining electricity and fuel
	ACR 9 -	Urges public utilities to lend money to
		customers for insulation
	AJR 9,	
	ACR 4 -	Urges increased assistance for mobile home
		space rental

City and County Housing Authorities disperse rent subsidy funds available under the U.S. Housing Act. ACR 4 and ACR 9 are aimed at increasing the amount of rent subsidy funding available. In practice most Section 8 funding (as it is called) has been used for apartment rentals. Housing Authorities might consider allocating a set proportion of the Certificates of Eligibility to mobile home park space rental. HUD regulations treat mobile home space rent subsidy and apartment rent subsidy in a similar manner; however, the cost to subsidize space rental is far less. Since the number of people living in mobile homes is rapidly growing, HUD should design specific regulations for mobile home space rental subsidy. In particular, allowing additional units/Certificates of Eligibility to a community in which mobile home living is a significant source of affordable housing.

A major problem related to the use of Section 8 rent subsidies for mobile home space rental has been the unrealistically low allowable rent limit. As of March 18, 1981, the allowable rent limit for the Reno area has been raised to \$157 for a singlewide and \$174 for a double wide, amounts that are more in line with the current market. The Reno area expects to receive approximately thirty new units this Spring.

The Section 8 Housing Assistance Program of the Department of Housing and Urban Development is one of the best accepted programs of the Federal government. However, HUD's Section 8 program is not as well adapted to mobile home owners as it might be, because the space rent paid represents only a portion of total housing cost. The space rent and utility portion of housing cost often does not exceed, the Section 8 established, 25% of income.

Many older Nevadans live in mobile home parks to avail themselves of the amenities and necessities of life contained with the parks or located nearby. Some of these are companionship, shopping centers, transportation and medical facilities. Additionally, this is often the only type of home ownership they can afford. The State of Nevada could assist low and fixed income older Nevadans who have invested in a mobile home and placed it in a mobile home park, by establishing a state program paralleling HUD's Section 8, but designed to assist the mobile home park tenant.

The framework to do this already exists. State funds could be directed through the same channels used by the Section 8 program, local Housing Authorities. The figures established by the Federal Government for their Section 8 program could be used by the State in its program. Necessarily, an adjustment must be made in the percent of income the tenant must pay for space rent and utilities. Also in determining percent of income for shelter the cost of coach purchase should be included.

EXTENT OF PROBLEM - NUMBER OF OWNERS IN NEED

Traditionally, rent control is proposed as a means of assisting low and fixed income elderly to cope with the problem of a shrinking income. The problem is real and government has a responsibility to assist. However, the far reaching negative economic impact of rent control and the fact that a small percentage of renters are in the low and fixed income category make rent control not cost effective as the solution.

According to the office of the Nevada State Planning Coordinator, as of April 1, 1980 a very conservative tentative estimate of the over age 63 population in Nevada would be 10%. Final figures will probably be closer to 20%. The Mobile Home Survey done by Clark County Community College identified 35% of mobile home residents as over age 62. One can conclude that a higher proportion of the mobile home population is elderly than in the general population; therefore, a larger proportion is potentially eligible for the various state and Federal programs designed to assist older Nevadans.

The 1980 Mobile Home Survey separated responses from the north, south and rural areas. The most valid statistics are those from southern Nevada tenants based on 24.5% return from their selected random sample. Southern tenants reported income ranging from \$4,100 to \$50,000 with a simple average of \$13,200 and \$15,500 the income most frequently reported. Rent subsidies have been sought by 6.0% of southern tenants and 2% are receiving rent subsidies.

The survey reported an average of 2.5 rent increases from April 1977 to April 1980, a three year period, the total increase averaging \$38.12. Space rentals range from \$135 for a single to \$190 for a double. A 1980 survey done by the Mobile Home Owners League of the Silver State, Inc. found approximately 5,000 tenants residing in 2,417 mobile homes in the critical income levels, i.e. 4.5% of the total mobile home population. Since rent control caps rents for all renters with no relationship to economic need, a large population is being subsidized because of the need of a limited group. Another limited group, landlords, is required to do the subsidizing.

PROPOSALS

A clear message that surfaced during the LV and Carson City public hearings was the negative image of public assistance programs. Programs established to assist older Nevadans are a positive recognition of the contribution they have made to society coupled with a recognition of economic reality. Comments at the hearing suggested that eligible seniors are deterred from participating in the various programs because of the negative image, within their peer group. Tenant organizations, within their

programming, would have the opportunity to place assistance programs in a positive framework and to assist eligible members in obtaining the benefits to which they are entitled. Experience indicates that encouragement and aid from a known source is the most valuable. Many state agencies have outreach programs through which tenant organizations could work.

The 1980 Mobile Home Survey conducted by Clark County Community College questioned both landlords and tenants regarding their familiarity with Nevada laws affecting mobile home owners and mobile home parks. Most responses indicated no knowledge or limited knowledge of the laws.

It would seem a primary function of the established organization of landlords and tenants to educate their members to the provisions of Nevada law enacted for their equity and benefit.

The 1979 Legislature provided for boards to mediate differences between landlords and tenants. Mediation boards have been established in Reno, Carson City, Las Vegas and Clark County. Testimony before the subcommittee suggested that lack of communication between tenants and landlords is at the root of many of the problems recited by proponents and opponents of AB 30. Mediation boards provide an orderly arena for communication. A positive effort must be undertaken to publicize mediation board activities and results attainable. Organizations of tenants and landlords must make every effort possible to use the boards and, through effective use of peer pressure, make them a viable tool for the reconciliation of disputes.

Mediation boards, as outlined in NRS 118.335 are to (a) Attempt to adjust grievances between the landlords and tenants by means of mediation or negotiation; (b) Recommend changes in local ordinances related to mobile homes and mobile home parks; (c) Recommend measures to promote equity between tenant and landlord; (d) Encourage the development of mobile home parks to meet the needs of the community.

NRS 118.335 does not define mediation or the role of the mediator or provide any guidelines beyond the identification of the board responsibilities. The effectiveness of mediation boards could be enhansed through better understanding by all parties of the meaning of mediation and the rights guaranteed all citizens of Nevada.

Black's Law Dictionary, Fourth Edition defines mediation as "Intervention, interposition; the act of a third person who interferes between two contending parties with a view to reconcile them or persuade them to adjust or settle their dispute."

A mediator is "one who interposes between parties at variance for purposes of reconciling them."

The Mediation Board, comprised of the various citizen mediators, should work with both parties in an impartial, unbiased manner to come to a resolution of the problem being mediated. The members of the Mediation Board should work to determine the truth and suggest methods of resolving the dispute.

The Mediation Board has a variety of directions at its disposal; a number of conclusions that it may reach. Joint, amicable resolution of the problem is the goal of the mediation process and should always be the goal of the Mediation Board. In the event mediation does not appear to be fully successful and both parties cannot reach a mutually-agreed-upon solution, the Board has the ability to bring to the attention of any citizen whether owner or renter, the remedies available to all citizens of the State of Nevada. If there in fact appears to be a violation of the Nevada Revised Statutes, the Mediation Board has the ability to bring to the attention of the victim those Nevada Revised Statutes and may direct that citizen to the District If the dispute is of a civil nature, the Mediation Board may direct that citizen to Small Claims Court or another appropriate It is understood that the Mediation Board itself will not in any way carry forth a complaint either to the District Attorney on behalf of either an owner or a renter nor will the Mediation Board become involved in litigation on behalf of the owner or renter in a particular situation.

Finally, the Mediation Board has the ability, as does any citizen in the State of Nevada, to identify to the appropriate public body violations of building codes, health codes, etc., so that the existing administrative agency of the appropriate local body may look into the matter and if, in fact, any actions are warranted, request that those appropriate actions take place. If the Mediation Board, after a reasonable period of time, feels that the administrative body has not taken the appropriate action then, of course, it has the ability to transmit its feelings to the appropriate locally elected Board of Commission.

In addition to legislation providing direct assistance to eligible older Nevadans, bills have been introduced directed at increasing the supply of affordable housing.

- AB 150 Adds mobile home park and mobile homes to types of residential housing financed under Nevada Housing Finance Law.
- ACR 3 Urges Housing Division of Department of Commerce to procure lands for development of mobile home parks for persons of low and moderate income.
- AJR 19 Memorializes Congress to remove distinctions relative to eligibility for loans for certain types of housing.
- SB 4 Establishes procedure for purchase and sale of real property by counties, cities and school districts for industrial development and housing.

SB 301 - Exempts housing for elderly persons operated by non profit corporations from property tax.

To increase the supply of affordable mobile home park spaces in our present economic climate will require the creative effort of government and private industry. Legislation has been introduced which would make land available at low cost for the purpose of increasing the affordable housing supply. Affirmative action on the local level is necessary to implement the action of the legislature. The supply of affordable housing is more likely to increase if someone is assigned the responsibility.

A possible direction would be the establishment of a task force composed of representatives from lending agencies, the building industry, community planners, the American Association of Retired Persons and other facets of the community with expertise, experience or concern about housing. Among the purposes of the task force would be the promotion of awareness of the improved investment climate; the development for potential investors of a comprehensive information source including possible sites and acquisition procedures, additional sources of funding, procedures for Nevada Housing Division funding; and the development of a model project for private sponsorship.

Testimony from both opponents and proponents of AB 30 indicated that additional cooperation from local governments is necessary to alleviate the problems connected with acquiring the land and zoning necessary for mobile home park construction. Such cooperation would also have the effect of attracting developers and financiers to the field.

Federal block grants might be used by state and local government for the purpose of increasing housing supply or to provide relocation subsidies for low income seniors.

EXHIBIT J-1

Chronological sequence of events.

On January 23, 1981, AB 30 revising landlord and tenant relationships in mobile home parks was introduced by the Assembly Committee on Commerce.

A subcommittee, composed of Ed Kovacs, Chairman, Lonie Chaney and Paul Prengaman, was appointed to hold public hearings and submit a report and recommendations to the full Commerce Committee.

Public Hearings were held in Las Vegas on February 20 and in Carson City on March 6.

Public Hearings - AB 30 Written material submitted

Las Vegas, 2/20/81

1. Summary of provisions of AB 30

 Testimony of Jackie Anglin, Senior Director Mobile Home Owners League of the Silver State, Inc. in support of AB 30.

 Testimony of Larry Pegram, Director of Marketing Lincoln Property Co. speaking as Co-Chairman of the Nevada Housing Coalition in opposition to AB 30.

4. Material submitted by Thelma Clark to the Clark County Mobile Home Park Mediation Board.

Carson City, 3/6/81

- 1. Mobile Home Owners League of the Silver State, Inc. 1980 Clark County Survey
- 2. Semi Annual Report of the City of Las Vegas Mobile Home Park Mediation Board (established 5/19/80, first report)
- 3. Clark County Department of Building and Zoning memo re mobile home park increases.
- 4. Bylaws, City of Las Vegas Mobile Home Park Mediation Board
- 5. Establishing Ordinance 2036, City of Las Vegas Mobile Home Park Mediation Board
- 6. Nevada Association of Realtors testimony in opposition to AB 30
- 7. Office of the District Attorney, Clark County memo re constitutionality vacancy trigger factor.
- 8. Office of the County Manager, Clark County memo re cost of staff to enforce rent control.
- 9. Clark County mobile home and mobile home park ordinances
- 10. Nevada Department of Commerce, Manufactured Housing Division memo re proposed amendments and cost of administration.
- 11. Nevada Department Of Human Resources, Division of Health memo re proposed amendment.
- 12. Nevada State Board of Health <u>Regulations Governing Mobile Homes and Mobile Home Parks (Trailer Courts)</u>
- 13. Letter from Governor Robert List to Lila Dunkel re AB 30 and AB 31.
- 14. Nevada Department of Conservation and Natural Resources, Division of Environmental Protection memo re proposed amendments.
- 15. State of Nevada Office of the Attorney General letter re AB 30, Section 6 ''tying arrangement' and proposed amendment.
- 16. Testimony of Joseph McDonald, Builders Association of Northern Nevada and Institute of Real Estate Management in opposition to AB 30.
- 17. Testimony of Bill Jowett, Nevada Association of Realtors in opposition to AB 30.
- 18. Testimony of Al Cartlidge, Nevada Housing Coalition in opposition to AB 30.
- 19. Citizen Questionaire results George Boddie
- 20. Citizen Questionaire results Jan Stewart
- 21. Petition Boulder Cascade Mobile Home Park tenants
- 22. Testimony of Vickie Demas, Mobile Home Owners League of the Silver State, Inc. in support of AB 30.
- 23. Testimony of Shannon Zivic, President, Mobile Home Owners League of the Silver State, Inc. in support of AB 30.

Public Hearing AB 30 Las Vegas, February 20, 1981

Proponents - Shannon Zivic
Wilma Rogers
Thelma Dixon
Jackie Anglin
Thelma Clark
C. Phillips
Walter Balke
D. Birkenstock
Vickie Demas

Opponents - Barrie Becker
Eddie Davenport
Ralph Zimmerman
Larry Pegram
Gary Roehr
Robert Stubbs
Joyce Bartmus

Comments - Julian Wallace, Las Vegas Mobile Home Park Mediation Board Vince Hall, Clark County Housing Authority
Mary Hibbs, Las Vegas Mobile Home Park Mediation Board

Proponents, in summary, spoke to the following issues in support of their position.

They are seeking to place mobile home matters in the hands of local government.

AB 30 will make local government more sensitive to the needs of mobile home residents.

They want justification, not rent control.

They want mediation boards to be able to hear complaints on excessive rent increases.

They do not want to deny owners a "reasonable profit."

The 5% trigger factor will render the bill useless.

Of the 1400 new spaces built since 1979, only 33% are eccupied.

In the past two years, parks built before 1970 have increased rents by 70% and parks built after 1970 have increased rents by 45% according to a survey done by the Mobile Home Owners League of the Silver State.

Rent increases have no relationship to new improvements in parks.

Everything is going up but income.

Social Security is not enough to pay expenses.

The high cost of essentials creates financial difficulty.

Cost of living allowances do not keep pace with inflation.

There is limited affordable housing available.

The cost of moving a mobile home is prohibitive.

Many residents looking for help are not in the "poverty poor" category.

Residents do not want welfare.

Approximately 2400 mobile home spaces house residents in the needy category.

616

Opponents, in summary, spoke to the following issues in support of their position.

AB 30 is rent control.

Rent control will not solve the problem of lack of availability of affordable housing.

The threat of rent control further constricts the limited capital flowing into the state.

Rent control drives away financing, insuring that no new parks will be built.

Rent control also has a negative affect on refinancing of existing properties and financing of additional development to existing parks.

Developers take a risk in anticipation of profit.

New construction exemptions historically have been removed after a period of time.

Rental costs have not kept up with inflation.

Rent control placed on one segment of the rental industry expands throughout, even to commercial rentals.

Rent control causes a shift in the tax burden.

Rent control causes decay of housing stock, due to decreased expenditures for maintenance.

Government controls and "red tape" add 30% to building costs.

Cities and counties should ease regulations and zoning laws to encourage mobile home park development.

Major problems are poor communication between tenants and owners and the financial difficulties facing low and fixed income elderly.

Most residents do not fit in needy category.

We should assist those in need, not require all owners to subsidize all renters.

One solution is public non-profit parks for those in need.

Public Hearing AB 30

Carson City, March 6, 1981

Proponents - Ernest Miller Shannon Zivic Dick Wells Elma Lawlor Thelma Clark Vickie Demas

Opponents - Belie Williams
Joe McDonald
Bill Jowett
Peter Smith
Al Cartlidge
Robert Stubbs
Al Fischer
Jim Thorp

Proponents, in summary, spoke to the following issues in support of their position.

Regulation and justification have different implications.

Do not want controls and would like to delete regulation and insert justification.

Elderly who moved into parks several years ago "did not know what they were getting into."

It is very costly to move a mobile home.

High rents make it difficult to sell a coach.

Some low income seniors do not apply for available assistance programs because they do not want help "from the outside."

Mediation Boards are able to resolve most problems. They could use more authority and should have the power to hear and mediate rent increase problems.

Opponents, in summary, spoke to the following issues in support of their position.

Financial industry considers justification and control one in the same.

Rent control will restrict investment money thereby damaging the rental housing industry.

Financing is being denied just based on the threat of controls.

Rent controls progress through the total rental industry.

Inflation guarantees the continuing rising cost of rent.

Large property tax increases are affecting mobile home park expenses.

Local zoning and building ordinances add to the difficulty of building mobile home parks.

Purchasing BLM lands or local Housing Authorities providing low interest loans would decrease the cost of building mobile home parks.

It is less expensive for government to subsidize those individuals in need than build new government subsidized parks.

Mediation Boards, through peer pressure, are succeeding in cleaning up abuses.

PUBLIC HEARING - AB 31 LAS VEGAS - 2/20/81

Proponents: Vickie Demas

Thelma Clark Shannon Zivic

Opponents: Joyce Bartmus

Proponents, in summary, spoke to the following issues in support of their position:

1. Many health and safety violations and local officials not doing their job.

2. AB 31 "Tool with which NRS 118 could be put to work."

3. AB 31 will prevent utility bill overcharges.

Opponents, in summary, spoke to the following issues in support of their position:

1. Local health departments check parks on a regular basis presently.

. Tenants sometimes cause health and safety violations, eviction only recourse.

CARSON CITY 3/6/81

Proponents: Ernie Miller

Shannon Zivic Thelma Clark Elma Lawlor Vickie Demas

Opponents: Ross Jones

Robert Stobbs Al Fischer May Thorp

Summary of proponents testimony:

- Local health departments lack manpower to inspect as frequently as they should.
- 2. Need enforcing agency for existing state laws.
- 3. Proper inspections not being carried out.
- 4. Tenants not receiving cooperation from local authorities when problems exist.
- 5. Inspection reports should be posted itemizing infractions.
- 6. Tenants would be willing to pay the costs of enforcing AB 31.
- 7. Must be standards set in anticipation of large influx
- · of mobile home owners and tenants.
- 8. Owners not always cause of violations, tenants sometimes at fault.

Summary of opponents testimony:

- 1. Oppose section of AB 31 allowing inspection of owners records without notice.
- 2. AB 31 expensive to implement.
- 3. AB 31 assigns responsibilities to manufactured housing division that are already done by local agencies.
- 4. Don't need new laws, need to enforce those already adopted.
- 5. Master metering systems cause problems and not being installed in new parks.
- 6. Re-reading a meter, not the same as testing a meter.

COMMENTS:

- Manufactured Housing Division, Administrator, Wayne Tetrault
 Section 2-27 related to construction, use and maintenance standards. Necessary if MX comes to Nevada to develop standards in conjunction with local ordinances and codes.

 Approximate cost to department of enforcing AB 31 would be \$135,000 the first year and \$155,000 the second year.
- Consumer Health Protection Services, Bureau Chief, James Edmundson Main health problems involve sewage and water connections in older parks.

 Division inspecting parks once per year, inspection form left with park operator.
- Public Service Commission, John Clark

 Commission does not have personnel to do examinations and testing required in AB 31.
- Division of Environmental Protection, Administrator, Lew Dodgion Amendments re disposal of refuge and sewage.

Whereas the legislature is concerned with the problems of mobile home owners and park owners, in particular, the difficulties facing mobile park residents who are older Nevadans living on low and fixed incomes; and

Whereas the 1980 Mobile Home Survey conducted by the Clark County Community College and commissioned by the Legislative Counsel Bureau reported approximately 123,000 mobile home residents in the state, 35% of them over age 62; and

Whereas all citizens have incurred a substantial increase in the cost of all basic living necessities, including not only housing, but utilities, food, clothing, transportation and medical costs; and

Whereas the limited supply of affordable housing in Nevada is a major state problem deserving alleviation; and

Whereas the 1979 Legislature provided for boards to mediate grievances between landlords and tenants, NRS 118.335, and the four boards established to date have not functioned for sufficient time to accurately analyze their performance or review their effectiveness for the purpose of changing their powers and duties;

Resolved by the Assembly of the State of Nevada that:

The governing body of each city and county is urged to publicize the availability and extent of state and federal programs established to provide assistance to low and fixed income older Nevadans.

The governing body of each city and county is urged to establish an areawide task force to promote the building of affordable housing, expecially mobile home parks. The task force should be composed of representatives from lending agencies, the building industry, mobile home and mobile home park owners, the real estate industry, community planners, the American Association of Retired Persons and other segments of the community with expertise, experience or concern about housing. Among the purposes of the task force would be the promotion of awareness of the improved investment climate; the development for potential investors of a comprehensive information source including possible sites and acquisition procedures, additional sources of funding, procedures for Nevada Housing Division funding; and the development of a model project for private sponsorship.

The governing body of each city and county is urged to establish a board to mediate grievances between landlords and tenants of mobile home parks and to use every avenue available to publicize the availability of the mediation board.

The organizations of mobile home owners and park owners are urged to assist the mediation boards in effectively fulfilling their statutory charge to: (a) Attempt to adjust grievances between the landlords and tenants by means of mediation or negotiation; (b) Recommend changes in local ordinances related to mobile homes and mobile home parks; (c) Recommend measures to promote equity between tenant and landlord; (d) Encourage the development of mobile home parks to meet the needs of the community.

Mediation has been defined as "Intervention, interposition; the act of a third person who interferes between two contending parties with a view to reconcile them or persuade them to adjust or settle their dispute."

The mediator is defined as "one who interposes between parties at variance for purposes of reconciling them."

In the event the parties cannot reach a mutually agreed upon solution, the Board has the ability to bring to the attention of the parties, owners and renters, the remedies available to any and all citizens of the State of Nevada. If there appears to be a violation of the Nevada Revised Statutes, the Mediation Board may bring to the attention of the aggrieved those Nevada Revised States and may direct that citizen to the District Attorney. If the dispute is of a civil nature, the Board may direct that citizen to Small Claims Court or another appropriate body. The Mediation Board itself will not carry forth a complaint on behalf of either an owner or a renter nor will the Board become involved in litigation on behalf of a renter or owner in a particular situation.

The Mediation Board has the ability, as does any citizen, to identify to the appropriate public body violations of building codes, health codes, etc., so the appropriate administrative agency of a local body may look into the matter and if any actions are warranted, request that those appropriate actions take place. If the Mediation Board, after a reasonable period of time, feels that the administrative agency has not taken the appropriate action then it has the ability to transmit its feelings to the proper locally elected body.

The organizations of mobile home owners are urged to educate their members regarding the state and federal programs available to provide assistance to low and fixed income older Nevadans and to assist their members in obtaining all services for which they are eligible and entitled.

The organizations of mobile home park owners are urged to educate their members in professional park management through the use of seminars and training programs.

The organizations of mobile home owners and mobile home park owners are urged to utilize the range of their organizational functions to help realize the full intent of the resources and remedies provided by Nevada

Revised Statutes and Federal Regulations to increase the supply of affordable housing and assist low and fixed income older Nevadans.

EXHIBIT K

1981 REGULAR SESSION (61st)

		•					
SSEMBLY	ACTION	SENATE ACTION	Assembly AMENDMENT BLANK				
dopted ost ate: utial: oncurred in ot concurre ate: itial:		Adopted Lost Date: Initial: Concurred in Not concurred in Date: Initial:	AMENDMENTS to Assembly Bill No. 30 Joint Resolution No. BDR. 10-22 Proposed by Assemblyman Hayes				
. Ame	ndment N	404					
	Amend se	ec. 2, page 1, line	3, by deleting "may" and inserting				
11	shall".						
	Amend se	ec, 2, page 1, line	4, by deleting "the regulation" and				
i	nserting:						
y - "	mediation	and arbitration be	tween owners of mobile home parks and				
ţ	heir tena	ints".					
	Amend se	ec. 2, page 1, by de	leting line 10 and inserting:				
11	adopted r	oursuant to this sec	tion must:				
	(a) Apr	oly only to mobile h	ome parks which were in operation on				
e g	July 1, 19	979.	•				
	(b) Rec	ruire that a letter	of agreement be executed by the land-				
	Lord and t	the tenants in the p	eark, either collectively through an				
<u> </u>	association of tenants or individually, providing for a committee						
ţ	to mediate any proposed increase in rents;						
	(c) Prohibit the issuing of a notice by the owner of the park of						
5	an increase in rents until the committee required by paragraph (b)						
<u>1</u>	has been formed; and						

Amend sec. 2, page 1, lines 17 and 18, by deleting "the regula-

"mediation and arbitration of proposed increases of rents in mobile

(d) Be repealed when the governing".

tion of those rents," and inserting:

o: E & E LCB File Journal Engrossment Bill

home parks,".

Drafted by DGS: smc Date 4-1-81 626

...

Amend the title of the bill on the second line by deleting "regulate" and inserting:

"require mediation and arbitration of proposed increases in".