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TESTIMONY
In Opposition to Senate Bill 241
Before the
Assembly Judiciary Committee
By
Nye County Commissioner Patricia Cox

Mr. Chairman, members of the committee; it's a pleasure to prepare this written testimony for you in opposition to Senate Bill 241.

I have the pleasure of serving the people of Nye County. As a resident of that county, I have watched the growth of our small town and its growing importance as a place for new home development. Along with the benefits we have enjoyed with this growth, we have seen its accompanying challenges. One of those challenges is the growing number of residents who suffer from faulty construction of their homes – I come before this committee today not only as a local elected official, but as one of those owners of a home with construction defects.

The type of defects which have occurred in my home consist of a failed leach field, and septic system; the NE side of our home is sinking; we have cracks in our stucco, drywall, and slab. The list goes on. My home is only 2-½ years old; We started having problems 6 months after we moved into our home. My contractor kept saying it was our fault these problems were occurring and that they were occurring as a result of using too much water in our home. On top of that, he said my homeowners insurance would cover the problems that we were having. The insurance company not only denied the claim, but now we are rated as high risk. We have seen our homeowner's insurance rates go from \$791.00 per year, to \$1,981.00 per year. If homeowners are forced to submit claims to their insurance companies, and rates are raised, this could present a financial hardship for many homeowners in our state. Especially homeowners that are on fixed incomes. We have spent, out of our own pockets, over \$4,000.00 to prove this was not our fault, and that it was a defect in the building and design of the leach field that created all of these problems. This situation has already created a financial hardship for our family. We have had to consult with an attorney now because our contractor is unwilling to fix our problems. The homeowner should not have to go through all of this mess when hiring a professional Licensed Contractor. After research, we found that several contractors building in our area are not engineering the lots properly. SB241 only protects the contractor not the homeowner. I am concerned with several areas in Nye County that have problems as well. I am writing to protect their interest in this matter too.

In reviewing Senate Bill 241, as the State Senate passed it in April, it's apparent to me that nothing in this legislation provides additional protections for the state's homeowners. As elected leaders, I believe it is our responsibility to balance our growth with strong homeowner rights as a deterrent to those homebuilders who fail to construct homes to our community's minimum standards for building safety and then refuse to provide their customers with real, lasting repairs.

ASSEMBLY JUDICIARY

DATE: 5-8-03 ROOM 3138 EXHIBIT T

SUBMITTED BY: Patricia Cox

T-182

I find particularly odious those provisions of SB 241 that says homeowners have no right to a home constructed according to the building code and that if they have anything wrong they have to suffer damage to their home – or its occupants – before they can seek repairs from their builder.

It is troubling that the efforts to roll back protections for the state's homeowners are being done under the guise that this bill will somehow reduce the liability insurance for contractors. In effect, this legislation will simply magnify the rates that homeowners pay for their own homeowners' insurance – placing the burden of payment for faulty construction on the backs of the contractors' customers. The builder pays to have insurance to protect them from any wrong-doing or defects. When I called to place a claim with the 2-10 warranty they said it was not covered. I was told that I needed to put a claim against my contractor. My contractor recommended that I call my homeowner insurance. I did and they denied the claim, saying it was water damage and then rated us as high risk. Now who is protecting the homeowner rights? What other choice does a homeowner have but to hire an attorney to protect their investment?

Mr. Chairman, this is not merely a Clark County issue. Wherever development occurs in our state, we have a responsibility to protect homeowners from shoddy construction practices and the bait-and-switch tactic of offering band-aid repairs. I urge this committee to stand with the state's homeowners and reject this legislation.

Thank you in advance for your cooperation,

Sincerely,

Patricia Cox
Nye County Commissioner

T-2082