ASSEMBLY BILL NO. 184–ASSEMBLYMEN OHRENSCHALL, BUCKLEY, MANENDO, CHOWNING, GIUNCHIGLIANI, ANDERSON, LESLIE AND PIERCE

## FEBRUARY 24, 2003

## Referred to Committee on Commerce and Labor

SUMMARY—Creates state board to review certain increases in rent relating to manufactured home parks. (BDR 10-386)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

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EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to manufactured home parks; creating the Manufactured Home Park Rent Review Board within the Manufactured Housing Division of the Department of Business and Industry; prescribing the powers and duties of the Board; prohibiting certain persons from imposing an increase in rent unless the increase has been approved by the Board; revising the powers and duties of the State Library and Archives Administrator; and providing other matters properly relating thereto.

## THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** Chapter 118B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.
- Sec. 2. As used in sections 2 to 8, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.
- Sec. 3. "Board" means the Manufactured Home Park Rent Review Board created by section 5 of this act.
- Sec. 4. "Rent" means the consideration, including, without limitation, money and deposits, demanded or paid for the use of a



1 manufactured home lot. The term does not include an amount of 2 money paid for:

1. The use of the manufactured home; or

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- 2. Water, gas, electricity or any other utility service that is metered and billed separately to the tenant.
- Sec. 5. 1. The Manufactured Home Park Rent Review Board is hereby created within the Division.
- 2. The Board consists of five members who are appointed by the Administrator as follows:
  - (a) Two members representing landlords;
  - (b) Two members representing tenants; and
- (c) One member who is an economic expert on rent at manufactured home parks, as determined by the Administrator.
- 3. After the initial appointments, the term of each member appointed to the Board is 3 years. The Administrator may remove a member of the Board for good cause. A vacancy on the Board must be filled for the remainder of the unexpired term in the same manner as the original appointment. A member may be reappointed to the Board.
- 4. The members of the Board are not entitled to be paid a salary, except that the members are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally while engaged in the official business of the Board.
- 5. The Administrator shall serve ex officio as a nonvoting member of the Board.
- 6. The Administrator shall provide the Board with administrative and clerical support and with such other assistance, including, without limitation, making arrangements for facilities, equipment and other services in preparation for meetings, as may be necessary for the Board to carry out its duties pursuant to sections 2 to 8, inclusive, of this act.
  - Sec. 6. 1. The voting members of the Board shall:
- (a) Elect a Chairman from among their membership. The term of the Chairman is 1 year. If a vacancy occurs in the Chairmanship, the vacancy must be filled for the remainder of the unexpired term in the same manner as the original selection.
- 38 (b) Except as otherwise provided in sections 2 to 8, inclusive, 39 of this act, conduct its business in accordance with <u>Mason's</u> 40 <u>Manual of Parliamentary Procedure</u>. 41 (c) Review and approve or disapprove applications for
  - (c) Review and approve or disapprove applications for approval of rent increases pursuant to section 7 of this act.
- 43 2. The Board may borrow a copy of <u>Mason's Manual of</u> 44 <u>Parliamentary Procedure from the Division of State Library and</u>



- Archives of the Department of Cultural Affairs for use by the
- 3. A majority of the voting members of the Board constitutes a quorum. A quorum may exercise all the power and authority conferred on the Board.
  - Sec. 7. 1. A landlord may not increase rent unless:
- (a) The amount of the rent after the increase will be \$350 per month or less: or
  - (b) Pursuant to this section:

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- (1) The landlord submits an application for approval of the increase in rent; and
  - (2) The Board approves the increase in rent.
- An application for approval of an increase in rent must include, without limitation:
  - (a) The amount of the current rent;
- (b) The amount by which the landlord proposes to increase the 16 17 rent;
  - (c) The reason for the proposed increase;
  - (d) The name and mailing address of each tenant whose rent the landlord proposes to increase; and
  - (e) Any other information that the Board determines to be necessary.
  - 3. The Board shall, not later than 10 days after receiving the application:
  - (a) Set a date for a public hearing. The date of the public hearing must not be more than 40 days after the date on which the Board receives the application.
  - (b) Determine a meeting site. The meeting site must be the community or recreational facility of the park affected by the proposed increase in rent. If the affected park does not have a community or recreational facility suitable to serve as a meeting site, then the Board shall determine an alternative meeting site.
  - (c) Provide written notice of the public hearing to the landlord and to each tenant whose rent the landlord proposes to increase. The notice must include, without limitation:
    - (1) The date of the public hearing;
    - (2) The time of the public hearing;
    - (3) The place of the public hearing;
    - (4) The purpose of the public hearing; and
- 40 (5) Any other information that the Board determines to be necessary.
  - 4. In reviewing the application, the Board shall consider, without limitation:
    - (a) The operating expenses of the manufactured home park;
    - (b) The current rent;



- (c) The debt service, including, without limitation, the debt service for capital improvements to the manufactured home park; and
- (d) A reasonable rate of return on investment by the owner of the manufactured home park.
- 5. The Administrator shall, in consultation with the Board, adopt regulations that establish the procedure the Board shall follow in reviewing such an application for an increase in rent.
- 6. Not later than 20 days after the public hearing, the Board shall:
- (a) Approve or disapprove the application in whole or in part; and
- (b) Provide written notice of its decision to the landlord and to each tenant whose rent the landlord proposed to increase, which must include, without limitation:
  - (1) The reason for the decision; and
- (2) If the Board approves the application, the amount of the increase in rent that the Board approved.
- 7. The decision of the Board to approve or disapprove an application for an increase in rent is a final decision for the purposes of judicial review.
- 8. The provisions of this section do not apply to a corporate cooperative park.
- Sec. 8. The Administrator shall adopt such regulations as are necessary to carry out the provisions of sections 2 to 8, inclusive, of this act.
  - Sec. 9. NRS 118B.140 is hereby amended to read as follows:
- 118B.140 1. Except as otherwise provided in [subsection 2,] subsections 2 and 3, the landlord or his agent or employee shall not:
- (a) Require a person to purchase a manufactured home from him or any other person as a condition to renting a manufactured home lot to the purchaser or give an adjustment of rent or fees, or provide any other incentive to induce the purchase of a manufactured home from him or any other person.
  - (b) Charge or receive:

- (1) Any entrance or exit fee for assuming or leaving occupancy of a manufactured home lot.
- (2) Any transfer or selling fee or commission as a condition to permitting a tenant to sell his manufactured home or recreational vehicle within the manufactured home park, even if the manufactured home or recreational vehicle is to remain within the park, unless the landlord is licensed as a dealer of manufactured homes pursuant to NRS 489.311 and has acted as the tenant's agent in the sale pursuant to a written contract.
  - (3) Any fee for the tenant's spouse or children.



(4) Any fee for pets kept by a tenant in the park. If special facilities or services are provided, the landlord may also charge a fee reasonably related to the cost of maintenance of the facility or service and the number of pets kept in the facility.

- (5) Any additional service fee unless the landlord provides an additional service which is needed to protect the health and welfare of the tenants, and written notice advising each tenant of the additional fee is sent to the tenant 90 days in advance of the first payment to be made, and written notice of the additional fee is given to prospective tenants on or before commencement of their tenancy. A tenant may only be required to pay the additional service fee for the duration of the additional service.
- (6) Any fee for a late monthly rental payment within 4 days after the date the rental payment is due or which exceeds \$5 for each day, excluding Saturdays, Sundays and legal holidays, which the payment is overdue, beginning on the day after the payment was due. Any fee for late payment of charges for utilities must be in accordance with the requirements prescribed by the Public Utilities Commission of Nevada.
- (7) Any fee, surcharge or rent increase to recover from his tenants the costs resulting from converting from a master-metered water system to individual water meters for each manufactured home lot.
- (8) Any fee, surcharge or rent increase to recover from his tenants any amount that exceeds the amount of the cost for a governmentally mandated service or tax that was paid by the landlord.
- 2. Except for the provisions of subparagraphs (3), (4), (6) and (8) of paragraph (b) of subsection 1, the provisions of this section do not apply to a corporate cooperative park.
- 3. A fee or other charge allowed pursuant to this section must not be used to circumvent the provisions of section 7 of this act.
- **Sec. 10.** NRS 118B.150 is hereby amended to read as follows: 118B.150 1. Except as otherwise provided in subsection 2, the landlord or his agent or employee shall not:
  - (a) Increase rent or additional charges unless:
    - (1) The rent charged after the increase [is]:
- (I) Is the same rent charged for manufactured homes of the same size or lots of the same size or of a similar location within the park, including, without limitation, manufactured homes and lots which are held pursuant to a long-term lease, except that a discount may be selectively given to persons who:

(i) Are handicapped; (ii) Are 55 years of age or older;



[(III)] (iii) Are long-term tenants of the park if the landlord has specified in the rental agreement or lease the period of tenancy required to qualify for such a discount;

[(IV)] (iv) Pay their rent in a timely manner; or

 $\{(V)\}$  (v) Pay their rent by check, money order or electronic means; and

(II) Has been approved pursuant to section 7 of this act by the Manufactured Home Park Rent Review Board, if required;

- (2) Any increase in additional charges for special services is the same amount for each tenant using the special service; and
- (3) Written notice advising a tenant of the increase is received by the tenant 90 days before the first payment to be increased and written notice of the increase is given to prospective tenants before commencement of their tenancy. In addition to the notice provided to a tenant pursuant to this subparagraph, if the landlord or his agent or employee knows or reasonably should know that the tenant receives assistance from the fund created pursuant to NRS 118B.215, the landlord or his agent or employee shall provide to the Administrator written notice of the increase 90 days before the first payment to be increased.
- (b) Require a tenant to pay for an improvement to the common area of a manufactured home park unless the landlord is required to make the improvement pursuant to an ordinance of a local government.
- (c) Require a tenant to pay for a capital improvement to the manufactured home park unless the tenant has notice of the requirement at the time he enters into the rental agreement. A tenant may not be required to pay for a capital improvement after the tenant enters into the rental agreement unless the tenant consents to it in writing or is given 60 days' notice of the requirement in writing. The landlord may not establish such a requirement unless a meeting of the tenants is held to discuss the proposal and the landlord provides each tenant with notice of the proposal and the date, time and place of the meeting not less than 60 days before the meeting. The notice must include a copy of the proposal. A notice in a periodic publication of the park does not constitute notice for the purposes of this paragraph.
  - (d) Require a tenant to pay his rent by check or money order.
- (e) Require a tenant who pays his rent in cash to apply any change to which he is entitled to the next periodic payment that is due. The landlord or his agent or employee shall have an adequate amount of money available to provide change to such a tenant.
- (f) Prohibit or require fees or deposits for any meetings held in the park's community or recreational facility by the tenants or occupants of any manufactured home or recreational vehicle in the



park to discuss the park's affairs, or any political or social meeting sponsored by a tenant, if the meetings are held at reasonable hours and when the facility is not otherwise in use, or prohibit the distribution of notices of those meetings.

- (g) Interrupt, with the intent to terminate occupancy, any utility service furnished the tenant except for nonpayment of utility charges when due. Any landlord who violates this paragraph is liable to the tenant for actual damages.
- (h) Prohibit a tenant from having guests, but he may require the tenant to register the guest within 48 hours after his arrival, Sundays and legal holidays excluded, and if the park is a secured park, a guest may be required to register upon entering and leaving.
- (i) Charge a fee for a guest who does not stay with the tenant for more than a total of 60 days in a calendar year. The tenant of a manufactured home lot who is living alone may allow one other person to live in his home without paying an additional charge or fee, unless such a living arrangement constitutes a violation of chapter 315 of NRS. No agreement between a tenant and his guest alters or varies the terms of the rental contract between the tenant and the landlord, and the guest is subject to the rules and regulations of the landlord.
- (j) Prohibit a tenant from erecting a fence along the perimeter of the tenant's lot if the fence complies with any standards for fences established by the landlord, including limitations established for the height of fences, the materials used for fences and the manner in which fences are to be constructed.
- (k) Prohibit any tenant from soliciting membership in any association which is formed by the tenants who live in the park. As used in this paragraph, "solicit" means to make an oral or written request for membership or the payment of dues or to distribute, circulate or post a notice for payment of those dues.
- (l) Prohibit a public officer, candidate for public office or the representative of a public officer or candidate for public office from walking through the park to talk with the tenants or distribute political material.
- (m) If a tenant has voluntarily assumed responsibility to trim the trees on his lot, require the tenant to trim any particular tree located on the lot or dispose of the trimmings unless a danger or hazard exists.
- 2. The provisions of paragraphs (a), (b), (c), (j) and (m) of subsection 1 do not apply to a corporate cooperative park.
- 3. As used in this section, "long-term lease" means a rental agreement or lease the duration of which exceeds 12 months.



- **Sec. 11.** NRS 378.080 is hereby amended to read as follows: 378.080 1. The State Library and Archives Administrator is responsible for the State Library and Archives.
  - 2. He shall:

- (a) Administer the State Library and Archives in accordance with the law. The State Library must also be administered in accordance with good library practice.
- (b) Withdraw from the Library's collection and dispose of items no longer needed.
- (c) Maintain the State Library, including the selection, acquisition, circulation and custody of books, periodicals, pamphlets, films, recordings, papers and other materials and equipment.
- (d) Maintain a comprehensive collection and reference service to meet the reference needs of public officers, departments or agencies of the State, and other libraries and related agencies.
- (e) Make and enforce regulations necessary for the administration, government and protection of the State Library and all property belonging thereto.
- (f) Issue official lists of publications of the State and other bibliographical and informational publications as appropriate.
- (g) Acquire those materials that the State Library is specifically required to lend by any provision of NRS.
- (h) Loan those materials from the Library's collection as are specifically required to be lent by any provision of NRS.
  - 3. He may:
- (a) Borrow from, lend to and exchange books and other library and informational materials with other libraries and related agencies.
- (b) Accept, administer and distribute, in accordance with the terms thereof, any money, materials or other aid granted, appropriated or made available to the State Library for library purposes by the United States or any of its agencies or by any other source, public or private.
- **Sec. 12.** On or before June 15, 2003, the Administrator of the Manufactured Housing Division of the Department of Business and Industry shall appoint to the Manufactured Home Park Rent Review Board created by section 5 of this act:
- 1. One member representing landlords whose term expires on June 30, 2004;
- 2. One member representing landlords whose term expires on June 30, 2005;
- 3. One member representing tenants whose term expires June 30, 2004;
- 44 4. One member representing tenants whose term expires 45 June 30, 2005; and



5. One member who is an economic expert on rent at manufactured home parks, as determined by the Administrator of the Manufactured Housing Division of the Department of Business and Industry, whose term expires on June 30, 2004.

Sec. 13. This act becomes effective upon passage and approval for the purposes of appointing members to the Manufactured Home Park Rent Review Board, adopting regulations and acquiring materials for the State Library, and on October 1, 2003, for all other purposes purposes.



