
Senate Committee on Commerce and Labor

This measure may be considered for action during today's work session.

SENATE BILL 275

Revises provisions relating to manufactured home parks. (BDR 10-958)

Sponsored By: Senator Daly
Date Heard: March 27, 2023
Fiscal Notes: Effect on Local Government: No.
Effect on the State: Yes.

Senate Bill 275 requires the Housing Division of the Department of Business and Industry to calculate and publish, on or before August 1 of each year, the maximum annual rent increase percentage for a manufactured home park for the following fiscal year. The annual rent increase percentage must be equal to 60 percent of the June annual 12-month average change in the Consumer Price Index for All Urban Consumers, West Region (All Items), most recently published by the United States Department of Labor. The Division is required to maintain such information on its Internet website for at least 2 years.

The bill prohibits a landlord, his or her agent, or employee of a manufactured home park from increasing rent for a tenancy that is from month to month and not a long-term lease unless the amount of the increase does not exceed the maximum annual rent increase percentage calculated by the Division plus the amount of pass-through expenses actually incurred by the landlord. A landlord, his or her agent, or employee is authorized to apply to the Division for an exemption from the rent limits for certain tenancies, if the cost of operating the manufactured home park exceeds the amount the park would earn with the increase in rent. The Division is further required to adopt regulations to establish the application process.

Amendments:

Senator Daly proposes the following amendments (attached):

1. Add a new subsection to Section 4 to require that the application submitted by a landlord, his or her agent, or employee to the Division for an exemption from the rent limitations include a report prepared by a certified public accountant licensed in this State, demonstrating the need for the exemption.
2. Amend the effective date of this bill from January 1, 2024, to July 1, 2024, for all other purposes.

Proposed Amendment To SB 275 on Manufactured Housing

Section 1. Chapter 118B of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *“Maximum annual rent increase percentage” means the maximum annual rent increase percentage calculated by the Division pursuant to section 3 of this act.*

Sec. 3. 1. *On or before August 1 of each year, the Division shall:*

(a) Calculate the maximum annual rent increase percentage required pursuant to NRS 118B.150 for the following fiscal year, which must be equal to 60 percent of the June annual 12-month average change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as most recently published by the United States Department of Labor;

(b) Publish on an Internet website maintained by the Division the maximum annual rent increase percentage for that fiscal year; and

(c) Issue a press release containing the maximum annual rent increase percentage for that fiscal year.

2. The Division shall maintain the information for each maximum annual rent increase percentage calculated pursuant to subsection 1 on an Internet website maintained by the Division for at least 2 years.

Sec. 4. 1. *A landlord or his or her agent or employee may apply to the Division for an exemption from the requirements of paragraph (b) of subsection 1 of NRS 118B.150 if the cost of operating the manufactured home park exceeds the amount the park would earn with the limit on the maximum annual rent increase established pursuant to paragraph (b) of subsection 1 of NRS 118B.150.*

2. An application submitted by a landlord or his or her agent or employee pursuant to subsection 1 of this section must provide proof that justification for an exemption exists and shall include:

(a) A report provided to the Division prepared by a certified public accountant licensed in Nevada demonstrating the need for the exemption from the requirements of paragraph (b) of subsection 1 of NRS 118B.150 is justified.

~~**3.**~~ *The Division shall adopt regulations to carry out the provisions of subsection 1.*

Sec. 5. NRS 118B.010 is hereby amended to read as follows:

118B.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 118B.0105 to 118B.0195, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

Sec. 6. NRS 118B.150 is hereby amended to read as follows:

118B.150 1. Except as otherwise provided in subsections 2 and 3, the landlord or his or her agent or employee shall not:

(a) Increase rent or additional charges unless:

(1) The rent charged after the increase 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) 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) Pay their rent in a timely manner; or

(V) Pay their rent by check, money order or electronic means;

(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 or her agent or employee knows or reasonably should know that the tenant receives assistance from the Account, the landlord or his or her agent or employee shall provide to the Administrator written notice of the increase 90 days before the first payment to be increased.

(b) Except as otherwise provided in section 4 of this act and in addition to the requirements of paragraph (a), increase rent for a tenancy that is from month to month and not a long-term lease unless the amount of the increase does not exceed the maximum annual rent increase percentage calculated by the Division pursuant to section 3 of this act, plus the amount of pass-through expenses actually incurred by the landlord of the manufactured home park.

(c) 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.

~~***(d)***~~ 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 the tenant 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.

~~***(e)***~~ ***(e)*** Require a tenant to pay the rent by check or money order.

~~***(f)***~~ ***(f)*** Require a tenant who pays the rent in cash to apply any change to which the tenant is entitled to the next periodic payment that is due. The landlord or his or her agent or employee shall have an adequate amount of money available to provide change to such a tenant.

~~***(g)***~~ ***(g)*** 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 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.

~~***(h)***~~ ***(h)*** 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.

~~***(i)***~~ ***(i)*** Prohibit a tenant from having guests, but the landlord may require the tenant to register the guest within 48 hours after his or her 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.

~~***(j)***~~ ***(j)*** 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 or her 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 or her 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.

~~***(k)***~~ ***(k)*** Prohibit a tenant from erecting a fence on the tenant's lot if the fence complies with any standards for fences established by the landlord, including limitations established for the location and height of fences, the materials used for fences and the manner in which fences are to be constructed.

~~***(l)***~~ ***(l)*** 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.

~~***(m)***~~ ***(m)*** 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.

~~***(n)***~~ ***(n)*** If a tenant has voluntarily assumed responsibility to trim the trees on his or her lot, require the tenant to trim any particular tree located on the lot or dispose of the trimmings unless a danger or hazard exists.

~~{(n)}~~ (o) Charge a fee for a late monthly rental payment by a federal worker, tribal worker, state worker or household member of such a worker during a shutdown.

2. The landlord is entitled to require a security deposit from a tenant who wants to use the manufactured home park's clubhouse, swimming pool or other park facilities for the tenant's exclusive use. The landlord may require the deposit at least 1 week before the use. The landlord shall apply the deposit to costs which occur due to damage or cleanup from the tenant's use within 1 week after the use, if any, and shall, on or before the eighth day after the use, refund any unused portion of the deposit to the tenant making the deposit. The landlord is not required to place such a deposit into a financial institution or to pay interest on the deposit.

3. The provisions of paragraphs (a), ~~{(b)}~~, (c), ~~{(j)}~~ (d), (k) and ~~{(m)}~~ (n) of subsection 1 do not apply to a corporate cooperative park.

4. As used in this section ~~{, "long-term"}~~ :

(a) *"Long-term lease"* means a rental agreement or lease the duration of which exceeds 12 months.

(b) *"Pass-through expense" means the actual costs and expenses incurred by a landlord that are passed on to a tenant without markup. The term does not include overhead, administrative expenses or profits.*

Sec. 7. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 6, inclusive, of this act become effective:

(a) Upon passage and approval for the purposes of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On ~~January~~ **July 1, 2024**, for all other purposes.