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GOOD AFTERNOON CHAIRMAN GOLDWATER, VICE CHAIRMAN BUCKLEY AND MEMBERS OF THE COMMITTEE,

MY NAME IS STEVE RAY AND I AM A DIRECTOR ON THE BOARD FOR THE STATELINE HOMEOWNERS ASSOCIATION, INC. REPRESENTING THE HOMEOWNERS OF THE TAHOE SHORES MOBILE HOME ESTATES IN STATELINE NEVADA.

I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY TO SPEAK TO YOU IN SUPPORT OF AB 184. IT IS MY BELIEF THAT THIS BILL IS BADLY NEEDED AND LONG OVERDUE. TO ILLUSTRATE MY POINT, I WOULD LIKE TO SHARE WITH YOU THE SITUATION IN MY COMMUNITY. IT IS MY HOPE THAT YOU WILL THEN BECOME CONVINCED THAT THE EXPLOITATION WE ARE CURRENTLY FACING HAS NO PLACE IN THE GREAT STATE OF NEVADA.

TAHOE SHORES MOBILE HOME ESTATES IS A QUAIN T LITTLE COMMUNITY NESTLED ON 19 ACRES IN A QUIET RESIDENTIAL AREA ON THE SOUTHEASTERN SHORES OF LAKE TAHOE. BUILT ABOUT 1970 WITH 155 SPACES, THE PARK IS COMPRISED OF HARD-WORKING FAMILIES IN THE LOW TO MIDDLE INCOME RANGE, MANY CASINO WORKERS, AND LOW INCOME ELDERLY AND DISABLED. IT IS ONE OF THE LAST FEW REMAINING COMMUNITIES IN THE AREA WHERE A WORKING FAMILY CAN STILL AFFORD A HOME, AND FOR OVER 30 YEARS THESE PEOPLE HAVE LIVED IN PEACE AND QUIET AS VALUED TAX-PAYING CITIZENS OF DOUGLAS COUNTY.

IN EARLY LAST YEAR, A DEVELOPER PURCHASED THE PROPERTY FOR THE EXPRESS PURPOSE OF CLOSING THE PARK AND BUILDING CONDOS. HE SENT THE HOMEOWNERS NOTICE OF HIS INTENT, ALONG WITH A NOTICE THAT THE RENT WOULD BE INCREASING BY A WHOPPING \$100.00 PER MONTH, ADDED TO A NEW SEPARATE WATER CHARGE, HISTORICALLY PAID BY THE LANDLORD. IN THE PAST 7 YEARS SINCE I HAVE LIVED THERE, OUR SPACE RENT HAS INCREASED FROM \$390 PER MONTH TO ITS CURRENT LEVEL OF \$662 OR A 70% INCREASE. ADD IN THE NEW WATER CHARGE AND MY RENT IS OVER \$700.00 PER MONTH, MAKING THIS THE MOST EXPENSIVE MANUFACTURED HOME COMMUNITY IN THE STATE OF NEVADA, TO MY KNOWLEDGE. AND THIS IS STRICKLY FOR THE RIGHT TO RESIDE HERE ON A TYPICAL SIZE LOT CRAMMED NEXT TO ONE ANOTHER. WE HAVE NO AMENITIES, SAVE FOR BEACH ACCESS. WE HAVE NO CLUBHOUSE, NO POOL, AND NO RECREATIONAL FACILITIES, UNLESS YOU COUNT AN EMPTY LOT WITH A PICNIC TABLE AND A LAKE PIER THAT IS NOT BOAT-FRIENDLY. WE DON'T EVEN HAVE A MANAGER WITH REGULAR BUSINESS HOURS - OFFICE VISITS ARE BY APPOINTMENT ONLY.

AS OF MARCH 1 OF THIS YEAR, THE NEW RENT INCREASE AND THE NEW WATER CHARGE AMOUNTED TO AN INCREASE OF ALMOST 30%. FOR ME.. 30%! AND I OWN A SINGLE-WIDE, ONE OF THE LESS EXPENSIVE IN THE RANGE.

ASSEMBLY COMMERCE & LABOR

DATE: 3/24/03 ROOM: 4100 EXHIBIT D

SUBMITTED BY: Steve Ray

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IMAGINE WHAT A 30% INCREASE IN YOUR MORTGAGE WOULD DO TO YOUR FINANCES, BECAUSE THAT IS EXACTLY WHAT IT DID TO OURS. NOW IMAGINE THAT YOU ARE ON A FIXED-INCOME DUE TO AGE OR HANDICAP STATUS. THIS OUTRAGIOUS RENT INCREASE IS UNAFFORDABLE TO MOST AND DROVE SOME TO TEARS AT OUR HOMEOWNERS MEETING. AND, AS I UNDERSTAND IT, NOTHING IN THE LAW PRECLUDES THE LANDLORD FROM RAISING THE RENT TO ANY UNCONSCIONABLE LEVEL HE CHOOSES – AND HE CAN DO IT EVERY 3 MONTHS!

MANY OF US, INCLUDING MYSELF, HAVE OUR LIFE SAVINGS INVESTED IN OUR HOMES. AND OUR HOME VALUE DEPENDS UPON 2 THINGS – THE COMMUNITY REMAINING STABLE AND AFFORDABLE. THE DEVELOPERS NOTIFICATION TO RECIND BOTH OF THOSE SENT OUR HOME VALUES – AND OUR LIFE SAVINGS – PLUNGING TO A DEPTH I NEVER IMAGINED.

NOW THAT OUR HOMES ARE MADE NEARLY WORTHLESS AND UNMARKETABLE, THE DEVELOPERS CALCULATED STRATEGY IS PAYING OFF. EXPLOITING THE VUNERABILITY OF THE HOMEOWNERS DESPERATION TO ESCAPE AN UNCERTAIN FUTURE, UNABLE TO SELL THEIR HOMES AT FAIR MARKET VALUE, CERTAINLY UNABLE TO AFFORD THE HIGH COST AND LIMITED RELOCATION OPTIONS OF MOVING THE HOME, AND NO LONGER ABLE TO AFFORD THE SPACE RENT, THE LANDLORD IS NOW EMBARKED UPON AN AMBITIOUS EFFORT TO BUY OUT THESE HOMES – AT A FRACTION OF THEIR FAIR MARKET VALUE. WE HAVE LOST 20 SO FAR, AND MORE CONTINUE TO BE LOST EVERY DAY. NOW THE LANDLORD HAS A HOME THAT HE DOES NOT HAVE TO PAY TO MOVE IN THE FUTURE, BUT YET ONE THAT GENERATES RENTAL INCOME, AND PRESENTS MUCH LESS OF AN OBSTRUCTION AT THE TIME DEVELOPMENT PERMITS ARE REQUESTED.

HERE IS THE IMPORTANT POINT TO CONSIDER. NO ONE IS QUESTIONING THE RIGHT OF THE OWNER TO DEVELOP THE LAND AS HE SEES FIT, ALTHOUGH WE HAVE GONE ON RECORD AND WILL CONTINUE TO OPPOSE THE DEVELOPMENT PLANS IN AN EFFORT TO SAVE OUR HOMES AND OUR QUALITY OF LIFE. BUT THE ISSUE BEFORE US TODAY IS THE RENT ISSUE: SHOULD A MOBILE HOME PARK OWNER PROFITEER FROM A VACUUM IN THE LAW TO IMPOSE UNRESTRAINED RENT INCREASES ON THOSE HELD TO A GREAT EXTENT CAPTIVE, CONSIDERING THE CONSIDERABLE COST AND LIMITED RELOCATION AVAILABILITY OF MOVING THE HOME.

OUR HOMEOWNERS DIDN'T THINK SO. WE APPEALED TO THE DOUGLAS COUNTY COMMISSIONERS FOR RELIEF IN THE FORM OF A RENT ORDINANCE REQUEST. THE COMMISSISONERS INITIALLY SUPPORTED US ENTHUSIASTICALLY, EVEN GOING SO FAR AS TO ORDER THE DISTRICT ATTORNEY TO DRAFT THE ORDINANCE. BUT AT THE FIRST READING, WE WERE SHOCKED AND DISAPPOINTED TO LEARN THE DEVELOPER HAD DISCREETLY LOBBIED THE COMMISSIONERS AND, USING WHAT WE SUSPECT

WAS THE THREAT OF A LAWSUIT AGAINST THE COUNTY, HAD SUCCESSFULLY PERSUADED THE COMMISSIONERS TO REJECT OUR ORDINANCE, WITH VIRTUALLY NO REASON GIVEN.

WE ARE NOT PRIVY TO THE COMMISSIONERS PRIVATE DISCUSSIONS, SO WE MAY NEVER KNOW THE COMPLETE REASON FOR THE REJECTION. BUT WE DO KNOW TWO THINGS: 1. THAT THE NRS IS STRANGELY QUIET ON THE TOPIC OF ALLOWABLE RENT OR AT LEAST A MEDIATION PROCESS TO RESOLVE DISPUTES, AND 2. THE NRS IS ALSO QUIET ON THE FOUNDATION COUNTY GOVERNMENT MAY DRAW UPON IN ATTEMPTING LOCAL REGULATION NOT SPECIFICALLY ADDRESSED IN THE STATUTES. IN OUR CASE, THE COMMISSIONERS MAY HAVE SIMPLY BEEN UNWILLING TO RISK A LAWSUIT ATTEMPTING TO NARROW THE BROAD APPLICATION OF NRS 244.335(A) WHICH GIVES COUNTIES THE ABILITY TO REGULATE BUSINESS THEREIN. IN THE LAST SESSION, AB 92 ATTEMPTED TO MITIGATE SOME OF THIS PARALYSIS CALLED "DILLONS RULE" FACED BY COUNTY GOVERNMENT AS THEY ATTEMPT TO ACT ON ISSUES OF LOCAL CONCERN BY WAY OF ORDINANCES WHICH ARE NEITHER AFFIRMED NOR PROHIBITED IN THE NRS, AS LONG AS THERE IS NO CONFLICT WITH STATE LAW.

THERE SEEMED TO BE SOME CONCERN THAT AB92 MAY HAVE BEEN OVERLY BROAD TRYING TO DEAL WITH THE UNPREDICTABLE NATURE OF PROBLEMS ARISING BETWEEN SESSIONS. BUT THERE IS VERY LITTLE UNPREDICTABLE ABOUT THE NATURE OF MOBILE HOME LANDLORD TENANT RELATIONS IN THE FORM OF REASONABLE RENT. THIS PROBLEM HAS APPARENTLY PLAGUED NEVADA CITIZENS FOR SOME TIME, IS HAPPENING NOW AS YOU CAN SEE, AND WILL CONTINUE INTO THE FUTURE UNLESS ACTION IS TAKEN. IF THE LAST SESSION WAS UNWILLING TO GRANT COUNTIES BROADER REGULATORY AUTHORITY IN SELECTED AREAS, THEN AB 184 PRESENTS A SENSIBLE AND BALANCED ALTERNATIVE TO NARROW THE FOCUS TO AT LEAST THIS ONE AREA OF MANUFACTURED HOME SPACE RENT. THE BENEFITS OBVIOUSLY INCLUDE:

1. IT RELIEVES COUNTY GOVERNMENT OF THE THREAT OF LITIGATION IN ATTEMPTING TO COME TO THE AID OF ITS CONSTITUENCY WITH ORDINANCES THAT ARGUEABLY MAY NOT HAVE A FOUNDATION IN LAW.
2. IT DOESN'T UNDULY INTERFERE WITH THE NORMAL COMMERCE OF PARK OWNERS SIMPLY TRYING TO EARN AN HONEST RATE OF RETURN ON THEIR INVESTMENT. IT SEEKS TO STEP IN WITH A FAIR MEDIATION PROCESS IN CASES WHERE THE PARK OWNER WOULD CHOOSE TO USE RENT AS A WEAPON AGAINST THOSE WHO ARE DEFENSELESS.
3. AND IT REPLACES A POTENTIAL HODGE-PODGE OF LOCAL REGULATION WITH A CENTRALIZED, STATE-CONTROLLED BOARD AND RULES IN A FISCALLY RESPONSIBLE MANNER.

LADIES AND GENTLEMEN OF THE COMMITTEE, I WILL CLOSE WITH THIS. DURING YOUR DISCUSSIONS ON THIS BILL, YOU WILL NO DOUBT BE LOBBIED BY THOSE WHO WILL QUESTION THE NEED FOR IT. IT IS IMPORTANT TO KEEP TWO THOUGHTS IN MIND. FIRST, THERE WILL ALWAYS BE THOSE WHO WILL DECRY ANY EFFORT TO CLOSE A LOOPHOLE IN THE LAW THEY FIND PROFITABLE. BY CONTRAST, ALL THE PARK HOMEOWNERS WANT IS A FAIR SHAKE. SECOND, ANY ARGUMENT MADE THAT STATUTORY AUTHORITY WHICH SEEKS TO REGULATE RENT SOMEHOW DEVALUES PROPERTY HAS BEEN HELD BY THE HIGH COURTS TO BE SPECULATIVE AT BEST AND IS EASILY COUNTERED WITH A MORE CONCRETE REBUTTAL THAT EXCESSIVE RENT DEVALUES THE INDIVIDUAL HOME – AND WE HAVE SEEN THAT FIRST HAND! LASTLY, THERE CAN BE NO ARGUMENT AGAINST THIS BILL BECAUSE IT MIGHT NOT BE PERFECT. HAS THERE EVER BEEN A STATUTE THAT HAS NOT BEEN IMPROVED UPON BY SUBSEQUENT AMENDMENTS TO ADDRESS UNANTICIPATED PROBLEMS?

AB 184 IS A BEGINNING – IT IS A GREAT BEGINNING. IT IS INEXPENSIVE AND IT PLUGS A HOLE IN THE STATUTES WHICH INVITES CORPORATE GREED AT ITS UGLIEST. IN THE HUNDREDS OF BILLS BEFORE YOU, AND IN THE SHADOW OF LOOMING FINANCIAL CRISIS, I URGE YOU TO SEEK OUT THOSE BILLS THAT SERVE THE GREATEST NUMBER OF NEVADANS FOR THE LOWEST COST, AND I WOULD ASK, ON BEHALF OF MANUFACTURED HOMEOWNERS LIVING IN PARKS EVERYWHERE, THAT YOU PUT AB 184 ON THE TOP OF YOUR LIST AND PASS IT.

THANK YOU VERY MUCH.