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KENNY C. GUINN
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
MANUFACTURED HOUSING DIVISION

2501 E. Sahara Avenue, Suite 204
Las Vegas, Nevada 89104
(702) 486-4135 • Fax (702) 486-4309

RENEE DIAMOND
Administrator

**ASSEMBLY COMMITTEE ON COMMERCE AND LABOR
TESTIMONY ON AB 212 ON MARCH 26, 2003**

My name is Renee Diamond, Administrator of the Division of Manufactured Housing a part of the Department of Business and Industry. . Deputy Attorney General Ned Reed joins me at the table.

I am here today with the Division's bill AB 212. This bill makes certain changes to the Recovery Fund statutes in response to issues that have been brought to the attention of the Division and our Deputy Attorney General through the processing of claims against the Recovery Fund. For the new members of the Committee I will remind you that the Recovery Fund Relating to Manufactured Housing is a segregated account, funded by the licensing of dealers, manufacturers, servicemen, installers, salesmen and responsible managing employees. A claim from the Fund is to reimburse a consumer for fraud or deceit committed by a licensee in connection with the sale of a manufactured home. The amount reimbursable per occurrence is \$25,000 with a \$100,000 maximum per licensee, and is subject to a court order directing payment.

Section 1. subsection 2. (c) (2) and (3), **page 2 lines 14 and 15** increases, by \$50, the amount paid into the Recovery Account upon initial and renewal of licenses by salesmen and responsible managing employees. This fee increase was a negotiated amount with the Nevada Manufactured Housing Association Board and attached to your hand out is their letter supporting the increase. The projected revenue increase for our Budget 3847 is \$12,100 FY 04 and \$9,400 in FY 05. Licenses are issued for a 2-year period.

Sec.2. page 2 line 32 asks that the Administrator be named as a party in the court in which a judgement is entered. This would give the Division advance notice of the elements of a case. **Line 34** adds the words *the unpaid* to current language; actual damages. This would clarify that if partial recovery of funds for damages occurs the Account would only pay for the unpaid portion. **Lines 36-38** clarifies the statutory dollar limit per transaction in a case where there might be multiple judgments relating to the same transaction obtained against a licensee or multiple licensees. **Lines 39-42** deletes the word licensee and then inserts a list that relates to the status of persons licensed pursuant to this chapter. We think this clarification encompasses all the legal entities that a licensee may use.

N1 of 3

ASSEMBLY COMMERCE & LABOR
DATE: 3/26/03 ROOM: 4100 EXHIBIT N
SUBMITTED BY: Renee Diamond

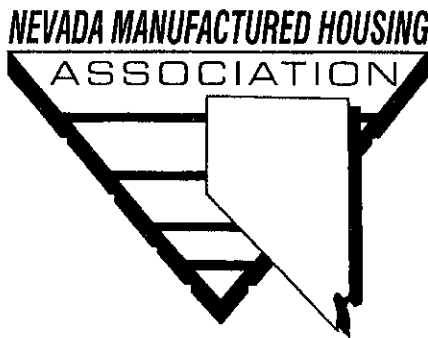
Page 2- AB 212

Page 3 subsection 4. Limits a licensee's ability to collect from the Account for damages related to his capacity as a licensee. We think this again preserves the original intent to relate the Account to a consumer's loss, not any other parties. Subsection 5., **lines 34 and 35** excludes awards for attorney fees, interest or costs. This is done to preserve the entire award for the consumer as was intended by the drafter's original language.

Sec. 3., page 3 **lines 41 and 42** is language to ensure that the division has the opportunity to defend on the merits of the cases which may involve a licensee who may be long gone and resulted in a default judgement.

Sec. 4., page 4 **lines 9-11** inserts permissive language that would allow an Administrator to appeal an order directing payment from the Account.

Let me relate again that these changes, with the exception of the fee increases, are a result of actual experiences with claims against the Recovery Fund, and are clarifications necessary to better manage this responsibility. Thank you for your attention.



August 3, 2002

Renee Diamond, Administrator
Nevada Division of Manufactured Housing
2501 E. Sahara Avenue, #204
Las Vegas, NV 89104

Dear Renee:

Our Executive Committee has voted to support a slightly lower fee increase for original or renewals of licensees by salesmen and responsible managing employees than those you have indicated in your 2003 bill draft.

We would support an increase to \$75 for salesmen, and \$100 for responsible managing employees, which is \$25 less than you were seeking in each of these categories. We agree with the other portions of the bill draft.

Sincerely,

Gub Mix
Executive Director