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PREPARED BY  
RESEARCH DIVISION  
LEGISLATIVE COUNSEL BUREAU  
Nonpartisan Staff of the Nevada State Legislature

## WORK SESSION

### Assembly Committee on Government Affairs

#### **ASSEMBLY BILL 262**

Makes various changes to provisions governing manufactured housing and mobile homes. (BDR 40-844)

**Sponsored by:** Assemblyman Manendo  
**Date Heard:** March 25, 2003

Assembly Bill 262 permits the Manufactured Housing Division of the Department of Business and Industry to inspect manufactured homes if the local government fails or refuses to do. The bill also permits the conversion of a manufactured home to real property under certain circumstances. Finally, the bill streamlines the involvement of the dealer of manufactured homes in installation activities subject to certain conditions.

**Amendments:** Committee members and other persons testifying on the bill requested certain clarifications.

A mock-up of proposed amendments, as proposed by the bill sponsor and Assemblyman Collins, is attached.

**Opposition:** Clark County requested time to review the provisions of the bill related to conversion of manufactured homes to real property. After the hearing, they withdrew any objections to the bill.

**Fiscal Impact:** Local Government: No  
State Government: Yes (Attached)

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4/7/2003

H10f8

ASSEMBLY GOVERNMENT AFFAIRS H1-8  
DATE: 4/7/03 ROOM: 3143 EXHIBIT H  
SUBMITTED BY: Susan Scholley

MOCK-UP

PROPOSED AMENDMENT TO  
ASSEMBLY BILL NO. 262

PREPARED FOR ASSEMBLY GOVERNMENT AFFAIRS  
APRIL 1, 2003

PREPARED BY THE RESEARCH DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN  
CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE  
OFFICIAL AMENDMENT MAY DIFFER.**

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~green bold double strikethrough~~ is language proposed to be deleted in this amendment and (5) ~~green bold dashed underlining~~ is deleted language in the original bill that is proposed to be retained in this amendment.

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

**Section 1.** NRS 461.260 is hereby amended to read as follows:

**461.260 1 *Local enforcement agencies in a county whose  
population is 400,000 or more shall enforce and inspect the installation  
of factory-built housing and manufactured buildings.***

**2. *Local enforcement agencies in a county whose  
population is less than 400,000 ~~Each city and county~~ may enforce and  
inspect the installation of factory-built housing and manufactured  
buildings. If any ~~city or county~~ local enforcement agency fails to enforce  
and inspect, or refuses to enforce and inspect, the installation of factory-  
built housing and manufactured buildings, within 10 business days after  
receipt of a request to inspect such housing or building, the Division  
shall enforce and inspect such installation in the territory of that local  
enforcement agency ~~city or county~~.***

**3. *Local use zone requirements, local fire zones, building setback,  
side and rear yard requirements, site development and property line  
requirements, as well as the review and regulation of architectural and  
aesthetic requirements are hereby specifically and entirely reserved to local  
jurisdictions notwithstanding any other requirement of this chapter.***

This proposed amendment, as approved by the bill's sponsor, retains the current requirement to inspect as to local agencies in Clark County and provides for inspections by the Division in the other 16 counties if the local enforcement agency fails or refuses to inspect.

This amendment was proposed by members of the Committee to give local agencies a reasonable period of time to inspect before the Division may become involved.

1     3. ~~4.~~ If, upon a final inspection conducted pursuant to subsection ~~4~~2,  
2 the Division determines that the factory-built housing or manufactured  
3 building meets all requirements established for the installation of the  
4 factory-built housing or manufactured building and all applicable  
5 requirements described in subsection ~~2~~3, the Division shall issue a  
6 certificate of occupancy for the factory-built housing or manufactured  
7 building. The Division may adopt such regulations as it determines  
8 necessary to carry out its duties pursuant to this section. The regulations  
9 may establish fees for inspections and the issuance of certificates of  
10 occupancy.

11     4.5. A local government authority may inspect Nevada manufacturers  
12 of factory-built housing or manufactured buildings to ensure compliance  
13 with all the provisions of NRS 461.170. Before conducting an initial  
14 inspection of any such manufacturer, a local government authority must  
15 give 10 days' written notice to the Administrator of the Division. The local  
16 government authority is not required to give notice to the Administrator  
17 before conducting subsequent inspections of the manufacturer.

18     Sec. 2. NRS 361.244 is hereby amended to read as follows:

19     361.244 1. A mobile or manufactured home is eligible to become  
20 real property if it becomes permanently affixed to land which is ~~owned~~ :

21     (a) Owned by the owner of the mobile or manufactured home  
22 ~~+~~; or

23     (b) Leased by the owner of the mobile or manufactured home if the  
24 home is being financed in accordance with the guidelines of the Federal  
25 Home Loan Mortgage Corporation, the Federal National Mortgage  
26 Association, the United States Department of Agriculture, or any other  
27 entity that requires as part of its financing program restrictions on  
28 ownership and actions affecting title and possession similar to those  
29 required by the Federal Home Loan Mortgage Corporation, the Federal  
30 National Mortgage Association and the United States Department of  
31 Agriculture.

32     2. A mobile or manufactured home becomes real property when the  
33 assessor of the county in which the mobile or manufactured home is  
34 located has placed it on the tax roll as real property. Except as otherwise  
35 provided in subsection 5, the assessor shall not place a mobile or  
36 manufactured home on the tax roll until:

37     (a) He has received verification from the Manufactured Housing  
38 Division of the Department of Business and Industry that the mobile or  
39 manufactured home has been converted to real property;

40     (b) The unsecured personal property tax has been paid in full for the  
41 current fiscal year;

42     (c) An affidavit of conversion of the mobile or manufactured home  
43 from personal to real property has been recorded in the county recorder's  
44 office of the county in which the mobile or manufactured home is located;  
45 and

The Division has advised that its inspection would cover the standards and codes adopted by the Division pursuant to NRS 461.170.

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(d) The dealer or owner has delivered to the division a copy of the recorded affidavit of conversion and all documents relating to the mobile or manufactured home in its former condition as personal property.

3. A mobile or manufactured home which is converted to real property pursuant to this section shall be deemed to be a fixture and an improvement to the real property to which it is affixed.

4. Factory-built housing, as defined in NRS 461.080, constitutes real property if it becomes, on or after July 1, 1979, permanently affixed to land which is ~~owned~~ :

(a) Owned by the owner of the factory-built housing ~~+~~ ; or

(b) Leased by the owner of the factory-built housing if the factory-built housing is being financed in accordance with the guidelines of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the United States Department of Agriculture, or any other entity that requires as part of its financing program restrictions on ownership and actions affecting title and possession similar to those required by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association and the United States Department of Agriculture.

5. The assessor of the county in which a manufactured home is located shall, without regard to the conditions set forth in subsection 2, place the manufactured home on the tax roll as real property if, on or after July 1, 2001, the manufactured home is permanently affixed to a residential lot pursuant to an ordinance required by NRS 278.02095.

6. The provisions of subsection 5 do not apply to a manufactured home located in:

(a) An area designated by local ordinance for the placement of a manufactured home without conversion to real property;

(b) A mobile home park; or

(c) Any other area to which the provisions of NRS 278.02095 do not apply.

7. For the purposes of this section, "land which is owned" includes land for which the owner has a possessory interest resulting from a life estate, lease or contract for sale.

**Sec. 3.** NRS 361.2445 is hereby amended to read as follows:

361.2445 1. A mobile or manufactured home which has been converted to real property pursuant to NRS 361.244 may not be removed from the real property to which it is affixed unless, at least 30 days before removing the mobile or manufactured home:

(a) The owner:

(1) Files with the Division an affidavit stating that the sole purpose for converting the mobile or manufactured home from real to personal property is to effect a transfer of the title to the mobile or manufactured home;

1 (2) Files with the Division the affidavit of consent to the removal of  
2 the mobile or manufactured home of each person who holds any legal  
3 interest in the real property to which the mobile or manufactured home is  
4 affixed; and

5 (3) Gives written notice to the county assessor of the county in  
6 which the real property is situated; and

7 (b) The county assessor certifies in writing that all taxes for the fiscal  
8 year on the mobile or manufactured home and the real property to which  
9 the mobile or manufactured home is affixed have been paid.

10 2. The county assessor shall not remove a mobile or manufactured  
11 home from the tax rolls until:

12 (a) He has received verification that there is no security interest in the  
13 mobile or manufactured home or the holders of security interests have  
14 agreed in writing to the conversion of the mobile or manufactured home to  
15 personal property; and

16 (b) An affidavit of conversion of the mobile or manufactured home  
17 from real to personal property has been recorded in the county recorder's  
18 office of the county in which the real property to which the mobile or  
19 manufactured home was affixed is situated.

20 3. A mobile or manufactured home which is physically removed from  
21 real property pursuant to this section shall be deemed to be personal  
22 property immediately upon its removal.

23 4. The Department shall adopt:

24 (a) Such regulations as are necessary to carry out the provisions of this  
25 section; and

26 (b) A standard form for the affidavits required by this section.

27 5. Before the owner of a mobile or manufactured home that has been  
28 converted to personal property pursuant to this section may transfer  
29 ownership of the mobile or manufactured home, he must obtain a  
30 certificate of ownership from the Division.

31 6. For the purposes of this section, the removal of a mobile or  
32 manufactured home from real property includes the detachment of the  
33 mobile or manufactured home from its foundation, other than temporarily  
34 for the purpose of making repairs or improvements to the mobile or  
35 manufactured home or the foundation.

36 7. *An owner who physically removes a mobile or manufactured*  
37 *home from real property in violation of this section is liable for all legal*  
38 *costs and fees, plus the actual expenses, incurred by a person who holds*  
39 *any interest in the real property to restore the real property to its former*  
40 *condition. Any judgment obtained pursuant to this section may be*  
41 *recorded as a lien upon the mobile or manufactured home so removed.*

42 8. As used in this section:

43 (a) "Division" means the Manufactured Housing Division of  
44 the Department of Business and Industry.

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(b) "Owner" means any person who holds an interest in the mobile or manufactured home or the real property to which the mobile or manufactured home is affixed evidenced by a conveyance or other instrument which transfers that interest to him and is recorded in the office of the county recorder of the county in which the mobile or manufactured home and real property are situated, but does not include the owner or holder of a right-of-way, easement or subsurface property right appurtenant to the real property.

**Sec. 4.** Chapter 489 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. A dealer of new manufactured homes may enter into written agreements pursuant to which appropriately licensed providers of service agree to perform work pertinent to the sale, installation and occupancy of a manufactured home.~~

2. If a dealer of new manufactured homes enters into a written agreement pursuant to subsection 1, the dealer is responsible for the workmanship and completion of all parts of a project involving the sale, installation and occupancy of a manufactured home, including, without limitation, any work performed by a provider of service pursuant to the written agreement.

3. A dealer of new manufactured homes shall not require a buyer of a manufactured home to obtain services to be performed pertinent to the sale, installation or occupancy of the manufactured home from a specific provider. The dealer shall disclose to the buyer in writing the fact that the dealer is prohibited from requiring the buyer to obtain such services from a specific provider of services.

4. As used in this section, "provider of services" means any person who performs work pertinent to the sale, installation and occupancy of a new manufactured home.

**Sec. 5.** NRS 489.325 is hereby amended to read as follows:

489.325 1. The Administrator may adopt regulations which provide for the creation of a subclass of licensure for servicemen. A person licensed as a limited serviceman pursuant to this section must be limited in the scope of the work he may perform to installation or repair in one of the following categories:

(a) Awnings, roofing or skirting;

(b) Plumbing;

(c) Heating and air-conditioning systems; {or}

(d) Electrical systems {+}; or

(e) Any other category that may be similarly licensed by the State Contractors' Board.

2. The Administrator shall provide in those regulations for:

(a) The imposition of reasonable fees for application, examination and licensure.

Add language to clarify that such agreements must comply with Chapter 624.

The State Contractors' Board has identified a B-1 limited license as a means for manufacturers to obtain a contractor's license and thereby serve as a general contractor provided they hire only licensed subcontractors. Manufacturers would otherwise continue to be required to obtain a general contractor's license or contract with a general contractor.

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1 (b) The creation and administration of a written or oral examination for  
2 each category of limited licensure.

3 (c) Minimum qualifications for such a license, including, without  
4 limitation, the passage of the applicable examination.

5 3. A person who is licensed as a limited serviceman shall comply  
6 with each statute and regulation which applies to servicemen, including,  
7 without limitation, the payment of a fee required pursuant to subparagraph  
8 1 of paragraph (c) of subsection 2 of NRS 489.4971.

9 **Sec. 6.** This act becomes effective on July 1, 2003.

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**BDR 40-844**  
**A.B. 262**

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 14, 2003

Agency Submitting: Manufactured Housing Division, Department of Business and Industry

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
License Fee (Revenue)		\$1,500		\$1,500
Recovery Fund (Revenue)		\$1,500		\$1,500
Total		\$3,000		\$3,000

Explanation (Use Additional Sheets of Attachments, if required)

Sec.5, 1.(e) adds new category of licensee for limited scope of work. The fee and recovery fund contribution are for a 2 year period.

Name Renee Diamond

Title Administrator

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date March 24, 2003

Agency's estimates appear reasonable.

Name John P. Comeaux

Title Director