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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

**SENATE COMMITTEE ON COMMERCE AND LABOR  
TESTIMONY ON AB 212 ON APRIL 30, 2003**

My name is Renee Diamond, Administrator of the Division of Manufactured Housing a part of the Department of Business and Industry. .

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. 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.

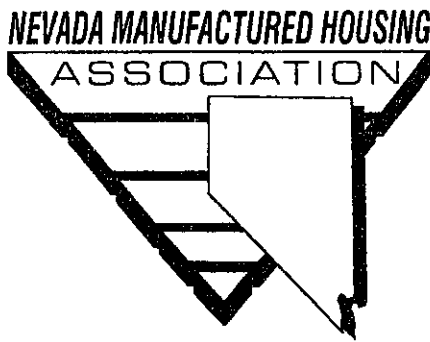
**Section 1.** subsection 2. (c) (2) and (3), **page 2 lines 14 and 15** increases, by \$50, the amount paid into the Recovery Account upon initial and renewal of licenses by salesmen and responsible managing employees. This fee increase was a negotiated amount with the Nevada Manufactured Housing Association 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.

Page 3 **Sec. 2.** subsection 4. Prohibits a licensee's ability to collect from the Account for damages related to his capacity as a licensee. We think this preserves the original intent to relate the Account to a consumer's loss, not any other parties.

I would respectfully request that an amendment be added to the AB 212 to require that there be a notice served upon the Division when there is an **initial legal action** filed that might result in a Recovery Fund claim. The Division was previously served, however the language initiating the service was accidentally removed during a legislative session. The Division attempted to correct the statute in AB 212's original version, however, when the

Assembly amended the bill the requirement for this action was also removed. Not knowing about claims in advance inhibits our ability to track claims and predict the long range viability of the Account. Because of deadline constraints the language was unable to be added back in before it left the Assembly on the last day. I have an email from Assemblywoman Buckley that says they will support adding this language.

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

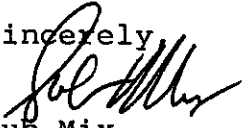
Renee Diamond, Administrator  
Nevada Division of Manufactured Housing  
2501 E. Sahara Avenue, #204  
Las Vegas, NV 89104

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