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KENNY C. GUINN
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
MANUFACTURED HOUSING DIVISION

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RENEE DIAMOND
Administrator

**TESTIMONY ON FEBRUARY 25, 2003
JOINT SUBCOMMITTEE ON GOVERNMENT AFFAIRS
SENATE FINANCE AND ASSEMBLY WAYS AND MEANS**

BUDGET 3814:

Savings in this budget are as follows:

- Category 01 Personnel Services \$179,495
- Category 04 Operating \$35,170
- **Total Savings \$214,665**

Additional Revenue from cancelled local government contracts \$47,200

1. Performance indicators for 04 and 05 were based on the actual occurrences during 2002 as we expected that would be the low point in reduced sales. Latest industry figures show new home production down lower than last year. Although we cancelled contracts for inspections with local jurisdictions so the Division could assume them we have not yet had a one year measurement indicator in order to reassess the additional revenue impact.
2. All other indicators are sales driven and are therefore reduced. We used the actuals from 2002 to project and we believe that these numbers will also be reduced due to industry trends.
3. The only area where we have had a tangible success is in the area of consumer complaints. There were 85 fewer consumer complaints in 2002 than projected. We feel that this is due, in part, to the Division's pro-active actions relating to fraud and repair matters.

Budget 3842:

Savings in the buget are as follows:

- Category 01 Personnel Services \$40,056
- Category 04 Operating \$1,214
- **Total Savings \$41,270**

1. The Lot Rent Subsidy has exceeded its work program since inception as anticipated. Please note in your handout that the attached Report on the

JOINT SUBCOMMITTEE *on Gen. Gov*
DATE: *2-25-03* ROOM *2134* EXHIBIT *6*
SUBMITTED BY: *Renee Diamond*

G-1082

Administration of the Rent Subsidy Program anticipated, on page 6, that the Reserve would be depleted in 2003. At the inception the Park Owners Association had asked that two year of revenue be collected to fund the Reserve although it was adopted with only one year collection.

2. Through attrition there are about 270 persons receiving assistance and has 120 eligible applicants on a waiting list.
3. The Division is anticipating that we will need to reduce, by regulation, payments to 20% of rent with a maximum of \$75. Currently we pay 25% of rent with a maximum of \$100. This will enable us, with salary savings listed above, to fund some of those eligible persons on the waiting list, albeit at a lower amount than current regulation permits.
4. There is no way to anticipate the exact cost of monthly subsidy payment as rent increases occur in a random fashion. Last year 145 (out of 459) parks raised the monthly rent between \$5 and \$50.