

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Seventh Session
February 8, 2013**

The Committee on Commerce and Labor was called to order by Chairman David P. Bobzien at 12:34 p.m. on Friday, February 8, 2013, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman David P. Bobzien, Chairman
Assemblywoman Marilyn K. Kirkpatrick, Vice Chairwoman
Assemblywoman Irene Bustamante Adams
Assemblywoman Maggie Carlton
Assemblyman Skip Daly
Assemblywoman Olivia Diaz
Assemblyman John Ellison
Assemblyman Jason Frierson
Assemblyman Tom Grady
Assemblyman Ira Hansen
Assemblyman Crescent Hardy
Assemblyman James W. Healey
Assemblyman William C. Horne
Assemblyman Pete Livermore
Assemblyman James Ohrenschall

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Kelly Richard, Committee Policy Analyst
Matt Mundy, Committee Counsel
Leslie Danihel, Committee Manager
Katie Wilson, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

James V. deProsse, Acting Administrator, Manufactured Housing
Division, Department of Business and Industry
John Griffin, representing Manufactured Home Community Owners'
Association

Chairman Bobzien:

[Meeting was called to order. Roll was called.]

At this time we will open the hearing on Assembly Bill 22 and will be welcoming Mr. deProsse to the table.

Assembly Bill 22: Revises provisions governing the continuing education requirements for certain persons licensed to perform work of limited scope on manufactured or mobile homes or other similar structures. (BDR 43-358)

**James V. deProsse, Acting Administrator, Manufactured Housing Division,
Department of Business and Industry:**

The purpose of Assembly Bill 22 is to eliminate the eight hours of continuing education requirement for a specialty serviceperson to renew his or her Manufactured Housing Specialty Serviceperson License [continued to read from prepared text ([Exhibit C](#))].

To give you further background, this category of license exists because the State Contractors' Board statute, *Nevada Revised Statutes* (NRS) Chapter 624 prohibits licensees of the State Contractors' Board from two activities, both of which are outside the scope of their licensure. One is working on personal property. The second is working on manufactured homes. Licensees are not allowed to work within the scope of their licensure on either personal property or manufactured homes, both of which manufactured homes fall into. As a result, we created categories of licensure within the Manufactured Housing Division so that someone who is licensed with the State Contractors' Board can

come to the Manufactured Housing Division and get licensed under our licensure, allowing them to work on personal property and manufactured homes.

In order for them to be granted a license for one of these specialty categories, they have to have the Nevada State Contractors' Board for that specific discipline; then they can apply for licensure with the Manufactured Housing Division. Typically a specialty category would be a roofing contractor or an electrical or plumbing contractor. The State Contractors' Board does not require any further continuing education once they are licensed, but the Manufactured Housing Division statute currently requires eight hours of continuing education every two years for renewal. This bill would allow the Administrator to waive the continuing education requirement if appropriate.

Chairman Bobzien:

Thank you for that explanation. I believe Mr. Ellison has a question.

Assemblyman Ellison:

We heard a similar bill last session and I am glad you have brought this forward again. A person in the specialty trades has to maintain and hold a master's license in that trade, such as electrical or plumbing, through the State Contractors' Board.

Chairman Bobzien:

Are there any other questions for Mr. deProse?

Assemblywoman Carlton:

I thought this bill was from last session too, but now after reviewing it, the bill seems different. Is this the same bill from last session or is it different?

Jim deProse:

It is different but we touched on this topic during some of the testimony. We had various changes to some other licensure categories, and this issue came up. There was some discussion about this issue, but it was not part of the content of any of the bills.

Assemblywoman Carlton:

I wanted to make sure that I had gone back and found the right one. I am concerned about the "may" provision in the bill. That could be a little too discretionary regarding who you waive and who you do not. I am just curious what the discussion was on that. Why did you go with "may" instead of "shall"? It seems to me, with these hard qualifications, that you should not be able to discriminate on who would and who would not have to do these continuing education courses.

Jim deProsse:

There are varying degrees of aspects of safety. For instance, if we had the ability to waive certain categories, perhaps we would want to consider waiving categories like electrical or roofing. Things related to safety, such as water heaters or other heat-producing appliances, may need to be required in regulatory language. If we have the flexibility for these roughly 15 different categories, some of them where safety is less of an issue would not require the continuing education, whereas perhaps a wood-burning or fuel-burning device like a water heater or stove would. Does that answer the question?

Assemblywoman Carlton:

It does to a point. My concern would be that if an awning falls on me, or my hot water heater does something, I am still in trouble. Working on a manufactured home is totally different than working on a stick-built house, and they change constantly. I have been in some that are 50 years old and in others that are so new you do not even know you have walked into a manufactured home. I want to make sure that if we do go to waiving continuing education on something, we do not do more harm than good. Maybe it would be better to just have a list of things that are not necessary rather than make it at the discretion of the Administrator.

Jim deProsse:

The continuing education requirement is a requirement for continuing your licensure. When there is a repair, such as an installation of an awning or a heat-burning device like a gas water heater, it requires a permit at the time of installation and a follow-up safety inspection once the work is complete. So that will not change. Those types of repairs and services that require permits for completion are clearly spelled out on our website, and we have identified them. The industry is very much aligned with understanding which repairs require permits.

Assemblywoman Carlton:

What is the financial impact of not doing the continuing education? Do the individuals have to pay for those classes? Who gives those classes and what are we eliminating?

Jim deProsse:

The current law requires eight hours of continuing education course completion for renewal. However, the reality is that there simply are not specialty classes in an area so finite as electrical repairs of manufactured housing; the classes simply do not exist. That is the other issue we are conflicted with. In regard to those few classes that do exist, typically the larger companies will sponsor the training, and the payment of the training is directed to those companies. No

money currently comes to the state agency for training on any of the continuing education course work that we are talking about. So essentially there would be zero fiscal impact.

Chairman Bobzien:

Before I recognize Mr. Ohrenschall, I believe we have an update on that previous legislation to provide to the Committee.

Kelly Richard, Committee Policy Analyst:

Assembly Bill No. 363 of the 76th Session, proposed by Assemblyman Ellison, did have a provision to exempt persons who were holding a contractor's license from the Contractors' Board. That is probably why this looks familiar, but that bill was not ultimately acted upon.

Chairman Bobzien:

Thank you for that clarification. Mr. Ohrenschall, did you have a question?

Assemblyman Ohrenschall:

I know that Assemblywoman Carlton and Assemblyman Frierson and I all have a lot of manufactured housing communities in our district. I wonder if you have reached out to any of the homeowner groups to see where they are on this issue and whether or not they feel comfortable with allowing the Administrator to waive this education requirement.

Jim deProsse:

No, we have not. We have talked to several licensees, and actually there has been a tremendous amount of frustration throughout the industry. According to those constituent licensees, it is typically centered around the fact that we can build high-rises, we can build commercial buildings, and when we get our license renewals, we do not have to go through any continuing education classes. Yet, I can hold a similar license, like an electrical license, with Manufactured Housing, and every time I go for renewal, I need to find eight hours of continuing education course work that typically does not exist. I would be more than happy to reach out to the constituents. I do not think there is a lot of awareness of the issue. When repair work is done in the parks, most know what specific work requires a permit. So if it is a roof, the park managers know that it requires a permit, or that a water heater requires a permit. Of course, all of our licensees are very cued up in that aspect as well. Quite honestly, we have had very few instances of work being performed by a licensee when he did not obtain a permit. That is a rare exception. Fortunately, I think our constituent licensees are very in tune with ensuring that the work is done properly and safely and that they have acquired permits for inspections.

Assemblyman Ohrenschall:

I understand what you are saying, and I understand the practicality, but one point that Assemblywoman Carlton brought up is the fact that working on a manufactured home is not the same as working on a high-rise. I know in some of our districts we have constituents living in coaches that are 30 or 40 years old. We had a terrible tragedy a couple of months ago at the Miracle Mile Mobile Home Park on Boulder Highway, where a house went up in flames and the bodies were burned beyond recognition. I do not know if the fire had anything to do with anyone who had worked on the home, but when I hear stories like that—and we do have a lot of constituents who live in the older units—it causes me concern. If you could reach out to some of those organizations, I think that would raise my comfort level.

Assemblyman Hardy:

I have a general engineering and vertical structures license, and I can tell you, from my experience, that I will not touch a mobile home because it is going to cause me to have to get some continuing education that I do not believe I need. Have you seen it drive up the price of repairs for those reasons?

Jim deProsse:

No, I am not aware of that being an issue as far as driving prices up. I know, because of demographics, sometimes there are issues for people in remote areas, where there are not many accessible options. But I do have an example of a constituent who, when he received his renewal notice last spring, informed us that he would not like to renew after being a licensee with us for 15 years. Our staff reached out to him and asked him what his specific concerns were. He basically said that there are no classes to take and it is an unnecessary burden. There are a few situations like that, so I know it has impacted some of the available fleet of service people, but that is just one example.

Chairman Bobzien:

How many licensees are we talking about?

Jim deProsse:

I do not have the number with me, but it is probably about 150, and of those 150 there are electricians and plumbers and others. It is a small pool, and that is a part of the problem with continuing education. The pool is so small that there is little demand for people to provide course work.

Chairman Bobzien:

That was going to be my next question. If you have such a small pool, then what is the availability of the education?

Assemblyman Ellison:

Maybe I can help answer the question and Mr. Ohrenschall's question as well. Take plumbing, for example. If you have a plumber who is a licensed master plumber, he is only licensed to do a specialty trade in residential and commercial properties. They have two different types of licenses, and for that master's license you have to receive many years of training. Right now, they could go down and take an eight-hour class and get a Manufactured Housing license versus eight to ten years to get a master's license. Also, a lot of these specialty tradespeople will not get their Manufactured Housing license simply because they would have to take a class every year that has nothing to do with their trade. Companies will have to send all of their people to Las Vegas, taking two days out of their businesses, for a class that has nothing to do with their trade.

When we talked about this several years ago, we were losing people in the rural areas. We cannot get anyone to work on these units. We had three fires recently that destroyed three mobile homes. The people who worked on those homes were not licensed people. They could not get licensed people to do the work, so they went in and did some scab work and caused the fires that burned the units down.

This bill would have more specialty people working on the ground. I am scared about some of the older units, and that is why we need specialty people working on these units. It is the same wiring and techniques in residential as it is in mobile homes; there is no difference.

Chairman Bobzien:

Now that we are moving into the support category for comment, Mr. deProsse, do you have any additional comments or should we open this up for discussion?

Jim deProsse:

Not at this time.

Chairman Bobzien:

Do we have anyone testifying in favor of Assembly Bill 22?

John Griffin, representing Manufactured Home Community Park Owners' Association:

We are in support of the legislation. There is a frustration from my clients' standpoint that through the years it seems as though this industry seems to have had more statutes pertaining to the dumbest things. I think this is an example where the continuing education training and licensure process has actually worked to the detriment of the owner. We have seen that the lack of

specialty service people who are specially licensed through the Division has resulted in some instances of increased costs in Las Vegas and Reno. In the rural areas it has resulted in the inability to get a specialty service person to perform the work. It is a simple rule of economics; if I can pick from 50 plumbers to do my work, or there are only five plumbers who have the specialty license through the Division, the cost is likely to go up. So while we do not have specific examples, from our members' standpoint it does impact the cost.

We support this effort because I think what is happening is rather than someone like Assemblyman Hardy going and getting the specialty license to work on certain homes which may not even amount to 10 percent of his business, he chooses not to get the license. He chooses not to go through the training, so the available pool of contractors shrinks. Either the park owners are doing the work themselves, or they are hiring a handyman. In the smaller parks I think some of the work is being done by the owners themselves. I would say a lot of projects involve self-performed repairs that, if you really look at it, probably should be done by a licensed contractor at the very least and perhaps by someone with a specialty license.

Chairman Bobzien:

Are there any questions from the Committee?

Assemblywoman Carlton:

Mr. Griffin, I will respectfully disagree with you. The people I represent are the actual homeowners, not the park owners, and they want to make sure that they have people who are well qualified to work on their homes. I do not think there is any dumbness in the statute; it may simply be out of date. We put a lot of these bills in place years ago to protect the residents inside the home, knowing full well that when you work on a manufactured home, it is not the same as working on the house that I live in; the walls are different, the trusses are different, it is mounted differently. You can do a lot of harm if you decide to put a little rabbit hole through a few beams to run a wire, because those may be the beams that actually hold up an anterior wall. It is not quite the same. But I do understand where you are coming from, and I do see the frustration. I think this area has evolved to the point where we may not need some of these specialty conditions, but I would not say that they are "dumb."

John Griffin:

I apologize for the use of the word "dumb."

Assemblyman Daly:

I am not necessarily opposed to what the Division is trying to do here. Licensed contractors do receive the training and are generally qualified, although there are

some specialty things on manufactured housing. But I was reading the old part of the bill, where it says that a licensee must have completed at least eight hours of continuing education approved by the Division pursuant to NRS 489.285. It basically says that you get to determine by regulation a criteria for determining what qualifies as continuing education. What if you determine what qualifies as continuing education and adjust it there? I know you have to go through the Legislative Commission, but it might work.

Jim deProsse:

I believe currently in NRS 489.323 there is a requirement of eight hours of continuing education for renewal. Within the *Nevada Administrative Code* (NAC) 489 regulations, we are charged with approving the continuing education (CE) courses and the sponsors for the courses that are eligible for this training. The reality is, right or wrong, that when a specialty licensee comes and says there are no classes, the Division is charged with finding classes that are acceptable. I have been involved with the Manufactured Housing Division for 3 1/2 years, and quite frankly there are no specialty classes online, in person, in state, or outside the state that pertain to those specialty categories. We have been conflicted with allowing people to continue with their licensure yet not being able to find appropriate course work. Since we have the ability to approve what courses are acceptable, we have had to go outside the box and approve courses like the Occupational Safety and Health Administration (OSHA) 10-hour training courses. These are very good for our constituents to participate in, but we have allowed those courses so that we can meet the qualification of the eight hours of continuing education because there simply is not a specialty course for manufactured housing plumbing that meets that eight-hour time requirement.

Assemblywoman Kirkpatrick:

This will not be the first bill we see this session where people are trying to change the continuing education requirements. I have seen several already. First, as a state I think we have a responsibility to have the Department of Employment, Training and Rehabilitation (DETR) or the Governor's Workforce Investment Board help us create continuing education options. I think that we should reach out to the community colleges to help with that as well. Regardless of what happens with this bill it is beneficial in the long term for us to keep the continuing education classes so that people can stay up to speed on building codes as they change. Manufactured housing codes change typically in a four-year period. I wonder why you chose not to extend the time frame, so at least licensees would need to get the eight hours of continuing education within a four-year period, which is more consistent with code changes.

Jim deProsse:

We really have not considered extending the time frame of the licensure. I am not aware if any constituents have shown any interest in us extending that. We have been so focused on the fact that a majority of the concerns that we hear from these specialty licensees is centered around the complaint that we make them take courses that do not exist, or if there is one, they go year after year and take the same course. Even if there was a course to update the codes for manufactured housing, specialty course work on a minor code change certainly would not take eight hours. Manufactured homes are all built to the U.S. Department of Housing and Urban Development (HUD) Code, and changes are very rarely made to it. Sometimes minor tweaks are made for some of the heat-producing appliances and so forth, but I think history would tell us that there are very few changes to the HUD Code and how these homes are manufactured.

Assemblywoman Kirkpatrick:

I would like to know if you believe we need continuing education. It is different when you are building a high-rise, because those workers are constantly getting updated education on different rules as they change. I understand that they may be taking courses that are not beneficial, but at the same time, do they have to have some sort of continuing education? I am trying to see if we might find a balance.

Chairman Bobzien:

I think the Speaker would like some consistency. It is a very important point. Do we have any other questions? [There were none.] Is there anyone else in favor of Assembly Bill 22? Anyone in opposition? [There was no one.] Anyone in the neutral category? [There was no one.] With that we will close the hearing on Assembly Bill 22 and move to the hearing on Assembly Bill 23.

**Assembly Bill 23: Clarifies provisions governing providers of services pertinent to the sale, installation and occupancy of manufactured homes.
(BDR 43-359)**

Jim deProsse:

[Read from prepared text ([Exhibit D](#)).] There are two changes proposed. The first change relates to the term "provider of services." It is used six times throughout the statute, but there is one place where it is referred to as "provider" instead of "provider of services." When we submitted this bill it came back with the recommendation from the Legislative Counsel Bureau (LCB) that we change "provider" to "provider of services." This is more of a clerical correction on that recommendation of the Legislative Counsel Bureau.

[Continued to read from prepared text ([Exhibit D](#)).] We did some research on the testimony from the changes made during these two time frames. There was an action instance where a homeowner who had worked with Assemblywoman Buckley, had received a verbal quote for \$2,000 to repair a manufactured home. The qualified professional completed the repair and sent her a bill for \$28,000. Unfortunately, the woman had no formal quote in writing. That was the background related to using this term "provider of services" and the clarity of a written quote being required at the time of repair. When the change took place, they did not take the word "new" out, so in essence the "provider of service," by definition in the statute, pertains only to new homes being repaired. Most of the costs of repairs are on used homes. Removing the word "new" really clarifies the requirement of a written quote being provided before the work is completed.

Chairman Bobzien:

Are there any questions?

Assemblyman Healey:

In section 1, subsection 1 of Assembly Bill 23 it reads, "A dealer of new manufactured homes who is licensed pursuant to chapter 624 of NRS may enter into written agreements ..." When would there be a chance they would not provide a written agreement?

Jim deProsse:

I cannot foresee any instance of that. Subsection 1 deals with new manufactured homes, and although there are not too many street dealers left, this would pertain to someone buying a new home from a dealership. Possibly a new manufactured home dealer sells the unit, yet the contracted work for the installation is done by a second party. So there may be a situation where it would not be required because the dealer would not be the one doing the work. But as this reads out, anyone who is performing repair work or installation work on a new or used unit would be required to provide one.

Assemblyman Healey:

The "may" and down further the "If such a dealer enters into ..." leaves it open for some interpretation of deciding when they want to and when they do not want to use a written agreement.

Assemblyman Ohrenschall:

Perhaps you could clarify something for me. This expands the net of people who are considered "providers of services," but who would it include that it does not include now? I am having a little trouble understanding that.

Jim deProsse:

The essence of what this does is that it takes the definition of "provider of services" to apply to owners of both new and used homes, not just new. If work is to be performed, the scope of work, what is going to be done, and the amount of money that is going to be charged for the work to be completed, will have to be written out and will now apply to used homes as well as new homes. It is a benefit to the consumer in that it recognizes not only the new-home owner but also the used-home owner.

Assemblyman Ohrenschall:

So right now, under existing law, can the park owner be the "provider of services" in terms of either installation or repair of a new or used coach? Or does it need to be someone separate from the park owner?

Jim deProsse:

Some of the park owners are licensed, but it would require work done by a licensed professional with the Division in either case.

Assemblyman Ohrenschall:

Someone who would be subject to the same continuing education requirements we discussed in Assembly Bill 22?

Jim deProsse:

Correct.

Chairman Bobzien:

Are there any additional questions for Mr. deProsse? [There were none.] Is there anyone else in favor of Assembly Bill 23? [There was no one.] Any in opposition? [There was no one.] Anyone who is neutral? Seeing none, we will close the hearing on Assembly Bill 23.

Committee members, there is one bill draft request (BDR) at your desk that we will be considering for introduction this afternoon. This is BDR 57-755, which revises provisions governing service contracts. This a committee BDR. A vote to introduce the BDR requires a majority to pass. If you vote in favor of introducing a BDR, that does not imply a commitment to support the measure later. All this action does is allow the BDR to become a bill or resolution and be referred to a committee for possible hearings.

BDR 57-755 — Revises provisions governing service contracts. (Later introduced as [Assembly Bill 88](#).)

ASSEMBLYMAN OHRENSCHALL MOVED FOR COMMITTEE INTRODUCTION OF BDR 57-755.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN KIRKPATRICK WAS ABSENT FOR THE VOTE.)

Chairman Bobzien:

Do we have any public comment? [There was none.]

Meeting is adjourned [at 1:17 p.m.].

RESPECTFULLY SUBMITTED:

Katie Wilson
Committee Secretary

APPROVED BY:

Assemblyman David P. Bobzien, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: February 8, 2013

Time of Meeting: 12:34 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 22	C	Jim deProsse	Written Testimony
A.B. 23	D	Jim deProsse	Written Testimony