

ASSEMBLY BILL NO. 74—COMMITTEE
ON COMMERCE AND LABOR

(ON BEHALF OF THE PUBLIC UTILITIES
COMMISSION OF NEVADA)

PREFILED DECEMBER 20, 2014

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to the resale of certain utility services. (BDR 58-348)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public utilities; extending to the landlord of a manufactured home park the applicability of provisions governing the resale of certain utility services by the landlord of a mobile home park or owner of a company town; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes certain requirements on the landlord of a mobile home park or the owner of a company town who charges the tenants of the park or occupants of the dwellings for certain utility services provided to the landlord or owner by a utility or alternative seller. (NRS 704.905-704.960) This bill generally makes these provisions applicable to the landlord of a manufactured home park.

Existing law requires the landlord of a mobile home park or the owner of a company town who is subject to the provisions of NRS 704.905-704.960 to submit to the Public Utilities Commission of Nevada an annual report which contains information sufficient to determine whether the landlord or owner has complied with the applicable statutory requirements. (NRS 704.960) **Section 11** of this bill extends the applicability of this requirement to include the landlord of a manufactured home park, but limits the applicability of the provision only to a landlord or owner who is billed by a gas or electric utility or an alternative seller and in turn charges the tenants of the park or occupants of the dwellings for the service provided by the utility or alternative seller.



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

Section 1. NRS 702.090 is hereby amended to read as follows:

702.090 1. "Retail customer" means an end-use customer that purchases natural gas or electricity for consumption in this state.

2. The term includes, without limitation:

(a) A residential, commercial or industrial end-use customer that purchases natural gas or electricity for consumption in this state, including, without limitation, an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

(b) A landlord of a *manufactured home park or* mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

(c) A landlord who pays for natural gas or electricity that is delivered through a master meter and who distributes or resells the natural gas or electricity to one or more tenants for consumption in this state.

3. The term does not include this state, a political subdivision of this state or an agency or instrumentality of this state or political subdivision of this state when it is an end-use customer that purchases natural gas or electricity for consumption in this state, including, without limitation, when it is an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

Sec. 2. NRS 702.260 is hereby amended to read as follows:

702.260 1. Seventy-five percent of the money in the Fund must be distributed to the Division of Welfare and Supportive Services for programs to assist eligible households in paying for natural gas and electricity. The Division may use not more than 5 percent of the money distributed to it pursuant to this section for its administrative expenses.

2. Except as otherwise provided in NRS 702.150, after deduction for its administrative expenses, the Division may use the money distributed to it pursuant to this section only to:

(a) Assist eligible households in paying for natural gas and electricity.

(b) Carry out activities related to consumer outreach.

(c) Pay for program design.

(d) Pay for the annual evaluations conducted pursuant to NRS 702.280.



3. Except as otherwise provided in subsection 4, to be eligible to receive assistance from the Division pursuant to this section, a household must have a household income that is not more than 150 percent of the federally designated level signifying poverty, as determined by the Division.

4. The Division is authorized to render emergency assistance to a household if an emergency related to the cost or availability of natural gas or electricity threatens the health or safety of one or more of the members of the household. Such emergency assistance may be rendered upon the good faith belief that the household is otherwise eligible to receive assistance pursuant to this section.

5. Before July 1, 2002, if a household is eligible to receive assistance pursuant to this section, the Division shall determine the amount of assistance that the household will receive by using the existing formulas set forth in the state plan for low-income home energy assistance.

6. On or after July 1, 2002, if a household is eligible to receive assistance pursuant to this section, the Division:

(a) Shall, to the extent practicable, determine the amount of assistance that the household will receive by determining the amount of assistance that is sufficient to reduce the percentage of the household's income that is spent on natural gas and electricity to the median percentage of household income spent on natural gas and electricity statewide.

(b) May adjust the amount of assistance that the household will receive based upon such factors as:

(1) The income of the household;

(2) The size of the household;

(3) The type of energy that the household uses; and

(4) Any other factor which, in the determination of the Division, may make the household particularly vulnerable to increases in the cost of natural gas or electricity.

7. The Division shall adopt regulations to carry out and enforce the provisions of this section and NRS 702.250.

8. In carrying out the provisions of this section, the Division shall:

(a) Solicit advice from the Housing Division and from other knowledgeable persons;

(b) Identify and implement appropriate delivery systems to distribute money from the Fund and to provide other assistance pursuant to this section;

(c) Coordinate with other federal, state and local agencies that provide energy assistance or conservation services to low-income persons and, to the extent allowed by federal law and to the extent



practicable, use the same simplified application forms as those other agencies;

(d) Establish a process for evaluating the programs conducted pursuant to this section;

(e) Develop a process for making changes to such programs; and

(f) Engage in annual planning and evaluation processes with the Housing Division as required by NRS 702.280.

9. For the purposes of this section, “eligible household” includes, without limitation:

(a) A tenant of a *manufactured home park or* mobile home park subject to the provisions of NRS 704.905 to 704.960, inclusive; and

(b) A tenant who purchases electricity from a landlord as described in paragraph (c) of subsection 2 of NRS 702.090 based on the actual usage of electricity by the tenant.

Sec. 3. NRS 704.7808 is hereby amended to read as follows:

704.7808 1. “Provider of electric service” and “provider” mean any person or entity that is in the business of selling electricity to retail customers for consumption in this State, regardless of whether the person or entity is otherwise subject to regulation by the Commission.

2. The term includes, without limitation, a provider of new electric resources that is selling electricity to an eligible customer for consumption in this State pursuant to the provisions of chapter 704B of NRS.

3. The term does not include:

(a) This State or an agency or instrumentality of this State.

(b) A rural electric cooperative established pursuant to chapter 81 of NRS.

(c) A general improvement district established pursuant to chapter 318 of NRS.

(d) A utility established pursuant to chapter 709 or 710 of NRS.

(e) A cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.

(f) A landlord of a *manufactured home park or* mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

(g) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this State.

Sec. 4. NRS 704.7818 is hereby amended to read as follows:

704.7818 1. “Retail customer” means an end-use customer that purchases electricity for consumption in this state.



2. The term includes, without limitation:

(a) This state, a political subdivision of this state or an agency or instrumentality of this state or political subdivision of this state when it is an end-use customer that purchases electricity for consumption in this state, including, without limitation, when it is an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

(b) A residential, commercial or industrial end-use customer that purchases electricity for consumption in this state, including, without limitation, an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

(c) A landlord of a *manufactured home park or* mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

(d) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this state.

Sec. 5. NRS 704.905 is hereby amended to read as follows:

704.905 As used in NRS 704.905 to 704.960, inclusive:

1. "Alternative seller" has the meaning ascribed to it in NRS 704.994.

2. "Company town" means a community whose primary purpose is to provide housing to employees of a person who owns not less than 70 percent of the dwellings, and may include commercial or other supporting establishments.

3. "Dwelling" includes a commercial or other supporting establishment.

4. "Utility" includes a public utility and all city, county or other governmental entities which provide electric, gas or water service to a *manufactured home park*, mobile home park or a company town.

Sec. 6. NRS 704.910 is hereby amended to read as follows:

704.910 1. The provisions of NRS ~~[704.910]~~ *704.905* to 704.960, inclusive, apply to ~~[mobile]~~ *manufactured* home parks governed by the provisions of ~~[chapters]~~ *chapter* 118B ~~[and]~~ *of NRS, mobile home parks governed by the provisions of chapter* 461A of NRS, utilities and alternative sellers which provide utility service to those parks and landlords who operate those parks.

2. A utility or an alternative seller which provides gas, water or electricity to any landlord exclusively for distribution or resale to tenants residing in *manufactured homes or* mobile homes or for the landlord's residential use shall not charge the landlord for those



1 services at a rate higher than the current rates offered by the utility
2 or alternative seller, as appropriate, to its residential customers.

3 **Sec. 7.** NRS 704.920 is hereby amended to read as follows:

4 704.920 1. The provisions of NRS ~~[704.920]~~ 704.905 to
5 704.960, inclusive, apply to company towns, utilities and alternative
6 sellers which provide utility services to company towns, and persons
7 who own and operate company towns.

8 2. The Commission shall require a public utility or an
9 alternative seller, as appropriate, which provides utility services to a
10 *manufactured home park*, mobile home park or to a company town,
11 or an independent person who is qualified, to conduct examinations
12 to examine and test the lines and equipment for distributing
13 electricity and gas within the park or town at the request of the
14 Manufactured Housing Division of the Department of Business and
15 Industry or a city or county which has responsibility for the
16 enforcement of the provisions of chapter *118B* or 461A of NRS.
17 The utility or alternative seller, the person selected to conduct the
18 examination and the Commission may enter a *manufactured home*
19 *park*, mobile home park or company town at reasonable times to
20 examine and test the lines and equipment, whether or not they are
21 owned by a utility or an alternative seller.

22 3. The utility or alternative seller, as appropriate, or the person
23 selected to conduct the examination, shall conduct the examination
24 and testing to determine whether any line or equipment is unsafe
25 for service under the safety standards adopted by the Commission
26 for the maintenance, use and operation of lines and equipment for
27 distributing electricity and gas, and shall report the results of the
28 examination and testing to the Commission.

29 4. The owner of the *manufactured home park*, mobile home
30 park or company town shall pay for the costs of the examination and
31 testing.

32 5. If the landlord of a *manufactured home park* or mobile
33 home park or owner of a company town refuses to allow the
34 examination and testing to be made as provided in this section, the
35 Commission shall deem the unexamined lines and equipment to be
36 unsafe for service.

37 6. If the Commission finds:

38 (a) Or deems any lines or equipment within a *manufactured*
39 *home park*, mobile home park or company town to be unsafe for
40 service, it shall take appropriate action to protect the safety of the
41 residents of the park or town.

42 (b) Such lines or equipment to be unsafe for service or otherwise
43 not in compliance with its safety standards, it may, after a hearing,
44 order the landlord or owner to repair or replace such lines and
45 equipment. For this purpose, the landlord or owner may expend



1 some or all of the money in the landlord's or owner's account for
2 service charges for utilities, which the landlord or owner is required
3 to keep under NRS 704.940.

4 **Sec. 8.** NRS 704.930 is hereby amended to read as follows:

5 704.930 If a utility or an alternative seller provides a utility
6 service to a *manufactured home park*, mobile home park or
7 company town and the landlord of the park or owner of the
8 *company* town charges the tenants or the occupants of such
9 dwellings for that service, the landlord or owner shall:

10 1. Provide that service to the tenants or the occupants of such
11 dwellings in a manner which is consistent with the utility's tariffs on
12 file with the Commission, if applicable, and any law, ordinance or
13 governmental regulation relating to the provision of that service.
14 The landlord or owner of the town shall not interrupt such a service
15 for nonpayment of charges unless the interruption is performed in a
16 manner which is consistent with the utility's tariffs on file with the
17 Commission, if applicable, and any law, ordinance or governmental
18 regulation relating to the manner of interrupting such a service for
19 nonpayment of charges.

20 2. Not more than 5 days after the landlord or owner of the town
21 receives notice of a proposed increase in the rates of the utility
22 service, give notice to the tenants or those occupants of the proposed
23 increase.

24 **Sec. 9.** NRS 704.940 is hereby amended to read as follows:

25 704.940 1. In a *manufactured home park*, mobile home park
26 or company town where the landlord or owner is billed by a gas or
27 electric utility or an alternative seller and in turn charges the tenants
28 or occupants of the dwellings for the service provided by the utility
29 or alternative seller, and the park or town:

30 (a) Is equipped with individual meters for each lot, the landlord
31 or owner shall not charge a tenant or occupant for that service at a
32 rate higher than the rate paid by the landlord or owner.

33 (b) Is not equipped with individual meters for each lot, the
34 landlord or owner shall prorate the cost of the service equally among
35 the tenants of the park or occupants of the dwellings who use the
36 service, but the prorated charges must not exceed in the aggregate
37 the cost of the service to the landlord or owner.

38 2. In a *manufactured home park*, mobile home park or
39 company town that:

40 (a) Is equipped with individual water meters for each lot, the
41 individual meters must be read and billed by the purveyor of the
42 water.

43 (b) Is not equipped with individual water meters for each lot and
44 the landlord or owner is billed by the purveyor of the water and in
45 turn charges the tenants or occupants of the dwellings for the service



provided by the purveyor, the landlord or owner shall prorate the cost of the service equally among the tenants of the park or occupants of the dwellings who use the service, but the prorated charges must not exceed in the aggregate the cost of the service to the landlord or owner.

↪ The landlord or owner of a *manufactured home park or* mobile home park that converts from a master-metered water system to individual water meters for each mobile home lot shall not charge or receive any fee, surcharge or rent increase to recover from the landlord's or owner's tenants the costs of the conversion. The owner of a company town that is not equipped with individual water meters shall not convert from the master-metered water system to individual water meters.

3. To the extent that the cost of providing a utility service to the common area of a *manufactured home park*, mobile home park or company town can be identified, the landlord or owner may not recover the cost of the utility service provided to the common area by directly charging a tenant or the occupant of a dwelling for those services.

4. The landlord of a *manufactured home park or* mobile home park or owner of a company town may assess and collect a charge to reimburse the landlord or owner for the actual cost of the service charge the landlord or owner is required to pay to a water utility serving the park or town. If the landlord or owner collects such a charge, the landlord or owner shall prorate the actual cost of the service charge to the tenants or occupants of dwellings who use the service. The landlord or owner shall not collect more than the aggregate cost of the service to the landlord or owner.

5. The landlord may assess and collect a service charge from the tenants of the park for the provision of gas and electric utility services, but the amount of the charge must not be more than the tenants would be required to pay the utility or alternative seller providing the service. The landlord shall:

(a) Keep the money from the service charges in a separate account and expend it only for federal income taxes which must be paid as a result of the collection of the service charge, for preventive maintenance or for repairing or replacing utility lines or equipment when ordered or granted permission to do so by the Commission; and

(b) Retain for at least 3 years a complete record of all deposits and withdrawals of money from the account and file the record with the Commission on or before March 30 of each year.

6. Money collected by the landlord or owner for service provided by a utility or an alternative seller to the tenants of a *manufactured home park or* mobile home park or occupants of the



1 dwellings may not be used to maintain, repair or replace utility lines
2 or equipment serving the common area of the *manufactured home*
3 *park*, mobile home park or company town.

4 7. The owner of a company town who provides a utility service
5 directly to the occupants of the town may charge the occupants their
6 pro rata share of the owner's cost of providing that service. Where
7 meters are available, the pro rata share must be based on meter
8 readings. Where meters are not available, the owner shall determine
9 a fair allocation which must be explained in detail to the
10 Commission in the reports required by NRS 704.960. The
11 Commission may modify the allocation in accordance with its
12 regulations if it determines the owner's method not to be fair. The
13 Commission shall adopt regulations governing the determination of
14 the costs which an owner of a company town may recover for
15 providing a utility service directly to the occupants of that town and
16 the terms and conditions governing the provision of that service.

17 8. The landlord or owner shall itemize all charges for utility
18 services on all bills for rent or occupancy. The landlord or owner
19 may pass through to the tenant or occupant any increase in a rate for
20 a utility service and shall pass through any decrease in a charge for a
21 utility service as it becomes effective.

22 9. The landlord or owner shall retain for at least 3 years a copy
23 of all billings for utility services made to the tenants or the
24 occupants of the landlord's or owner's dwellings and shall make
25 these records available upon request to the Commission for
26 verification of charges made for utility services.

27 10. A landlord whose interest in a *manufactured home park or*
28 mobile home park terminates for any reason shall transfer to the
29 landlord's successor in interest any balance remaining in the account
30 for service charges for utilities. Evidence of the transfer must be
31 filed with the Commission.

32 11. The Commission may at any time examine all books and
33 records which relate to the landlord's or owner's purchase of or
34 billing for a service provided by a utility or an alternative seller if
35 the landlord or owner is charging the tenants of the *manufactured*
36 *home park or* mobile home park or occupants of the dwellings for
37 that service.

38 **Sec. 10.** NRS 704.950 is hereby amended to read as follows:

39 704.950 1. The tenant of a lot in a *manufactured home park*
40 *or* mobile home park or occupant of a dwelling in a company town
41 who believes that the landlord or owner has violated the provisions
42 of NRS 704.930, 704.940 or 704.960 may complain to the Division
43 of Consumer Complaint Resolution of the Commission. The
44 Division shall receive and promptly investigate the complaint. If the



1 Division is unable to resolve the complaint, the Division shall
2 transmit the complaint and its recommendation to the Commission.

3 2. The Commission shall investigate, give notice and hold a
4 hearing upon the complaint, applying to the extent practicable the
5 procedures provided for complaints against public utilities in
6 chapter 703 of NRS.

7 3. If the Commission finds that the landlord of the
8 *manufactured home park or* mobile home park or owner of the
9 company town has violated the provisions of NRS 704.930, 704.940
10 or 704.960, it shall order the landlord or owner to cease and desist
11 from any further violation. If the violation involves an overcharge
12 for a service, the Commission shall determine the amount of the
13 overcharge and order the landlord or owner to return that amount to
14 the tenant or occupant within a specified time.

15 4. If the landlord or owner fails or refuses to comply with its
16 order, the Commission may compel compliance by any appropriate
17 civil remedy available to it under this chapter. For the purposes of
18 compelling compliance by the landlord or owner, the Commission
19 may use such methods as are available for the Commission to
20 compel the compliance of a public utility.

21 **Sec. 11.** NRS 704.960 is hereby amended to read as follows:

22 704.960 Each landlord of a *manufactured home park or*
23 mobile home park or owner of a company town *who is billed by a*
24 *gas or electric utility or an alternative seller and in turn charges*
25 *the tenants or occupants of the dwellings for the service provided*
26 *by the utility or alternative seller* shall submit an annual report to
27 the Commission. The report must contain detailed information on
28 the collections and expenditures of the landlord's or owner's
29 account for service charges for utilities, information necessary to
30 determine compliance with NRS 704.940, details of any changes in
31 ownership during the period covered by the report and such other
32 information as the Commission deems necessary to determine
33 whether the landlord or owner has complied with the provisions of
34 this chapter which apply to *manufactured home parks*, mobile
35 home parks and company towns. The Commission shall by
36 regulation provide for the annual filing of the reports.

37 **Sec. 12.** This act becomes effective:

38 1. Upon passage and approval for the purpose of adopting any
39 regulations and performing any other preparatory administrative
40 tasks necessary to carry out the provisions of this act; and

41 2. On January 1, 2016, for all other purposes.

