

ASSEMBLY BILL NO. 364—ASSEMBLYMAN WATTS

MARCH 20, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the transfer, title and sale of manufactured homes. (BDR 43-801)

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 manufactured homes; authorizing the issuance of a certificate of ownership for a manufactured home, mobile home or commercial coach under certain circumstances; providing for the automatic transfer of certain manufactured homes, mobile homes and commercial coaches to designated beneficiaries upon the death of the owner; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, if a person applying for a certificate of ownership for a manufactured home, mobile home or commercial coach from the Housing Division of the Department of Business and Industry cannot present the certificate of ownership previously issued, the Division may receive the application, examine the circumstances of the case and require the filing of affidavits or other information. The Division may issue a certificate of ownership to the applicant when the Division is satisfied the applicant is entitled to such a certificate. (NRS 489.561) **Section 2** of this bill authorizes a person who is unable to provide information satisfactory to the Division that the person is entitled to a certificate of ownership to obtain a new certificate of ownership by: (1) filing a bond with the Division in an amount equal to one and one-half times the assessed value of the manufactured home, mobile home or commercial coach; and (2) allowing the Division to inspect the manufactured home, mobile home or commercial coach for compliance with certain safety standards. Such a bond must be conditioned to indemnify prior and subsequent owners or lienholders of the manufactured home, mobile home or commercial coach against any expense, loss or damage because of the issuance of the certificate of ownership, or because of any defect in or undisclosed security interest in the applicant's right or title to the manufactured home, mobile home or commercial coach or the applicant's interest in the manufactured home, mobile home or commercial coach. **Section 2** also abolishes any right of action against the



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Division for taking certain actions or failing to act in providing a certificate of ownership pursuant to that section. **Section 5** of this bill makes a conforming change.

Existing law provides for nonprobate transfer of certain property from the owner to a named beneficiary, including, without limitation, nonprobate transfers of certain motor vehicles for which the owner has obtained a certificate of title in beneficiary form from the Department of Motor Vehicles. (NRS 482.247) **Section 3** of this bill authorizes the owner or owners of a manufactured home, mobile home or commercial coach to request a certificate of ownership in beneficiary form from the Housing Division of the Department of Business and Industry which directs the Division to transfer the certificate of ownership to a designated beneficiary upon the death of the owner. **Section 3** also provides procedures for obtaining and revoking a certificate of ownership in beneficiary form, and specifies that a transfer of ownership made by a certificate of ownership in beneficiary form is not subject to the statutes governing probate matters. **Section 4** of this bill makes a conforming change. **Section 4** also requires that the signature of the person whose title or interest is to be transferred on a transfer of title to or the interest in a manufactured home, mobile home or commercial coach be notarized. (NRS 489.551) **Section 3.5** of this bill requires the Administrator of the Housing Division to adopt regulations pertaining to the issuance of the bonded certificates of ownership and the certificates of ownership in beneficiary form provided for in **sections 2 and 3**.

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

Section 1. Chapter 489 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 3.5 of this act.

Sec. 2. 1. *If an applicant who is seeking a certificate of ownership is unable to provide the information required by the Division pursuant to NRS 489.561 and satisfy the Division that the applicant is entitled to a certificate of ownership pursuant to that section, the applicant may obtain a new certificate of ownership from the Division by:*

(a) Filing a bond with the Division that meets the requirements of subsection 3; and

(b) Allowing the Department to inspect the manufactured home, mobile home or commercial coach for compliance with the safety standards and other requirements provided in regulations adopted by the Administrator pursuant to NRS 489.251.

2. *Any person damaged by the issuance of a certificate of ownership pursuant to this section has a right of action to recover on the bond for any breach of its conditions, except the aggregate liability of the surety to all persons must not exceed the amount of the bond.*

3. *The bond required pursuant to subsection 1 must be:*

(a) In a form prescribed by the Division;

(b) Executed by the applicant as principal and by a corporation qualified under the laws of this State as surety;



(c) In an amount equal to one and one-half times the most recent assessed value assigned by the relevant county assessor to the manufactured home, mobile home or commercial coach; and

(d) Conditioned to indemnify any:

(1) Prior owner or lienholder of the manufactured home, mobile home or commercial coach, and his or her successors in interest;

(2) Subsequent purchaser of the manufactured home, mobile home or commercial coach, and his or her successors in interest; or

(3) Person acquiring a security interest in the manufactured home, mobile home or commercial coach, and his or her successors in interest,

↪ against any expense, loss or damage because of the issuance of the certificate of ownership or because of any defect in or undisclosed security interest in the applicant's right or title to the manufactured home, mobile home or commercial coach or the applicant's interest in the manufactured home, mobile home or commercial coach.

4. A right of action does not exist in favor of any person by reason of any action or failure to act on the part of the Division or any officer or employee thereof in carrying out the provisions of this section, or in giving or failing to give any information concerning the legal ownership of a manufactured home, mobile home or commercial coach or the existence of a certificate of ownership obtained pursuant to this section.

Sec. 3. 1. The owner or joint owners of a manufactured home, mobile home or commercial coach may request the Department to issue a certificate of ownership in beneficiary form for the manufactured home, mobile home or commercial coach, as applicable, which includes a directive to the Department to transfer the certificate of ownership upon the death of the owner or upon the death of all joint owners to a beneficiary named on the face of the certificate of ownership.

2. A request made pursuant to subsection 1 must be submitted on an application made available by the Department and must:

(a) Contain a notarized signature of the owner or each joint owner; and

(b) Be accompanied by the fee for the issuance of a certificate of ownership.

3. A certificate of ownership in beneficiary form may not be issued to a person who holds an interest in a manufactured home, mobile home or commercial coach as a tenant in common with another person.



4. A certificate of ownership in beneficiary form must include after the name of the owner or after the names of joint owners the words "transfer on death to" or the abbreviation "TOD" followed by the name of the beneficiary.

5. During the lifetime of a sole owner or before the death of the last surviving joint owner:

(a) The signature or consent of the beneficiary is not required for any transaction relating to a manufactured home, mobile home or commercial coach for which a certificate of ownership in beneficiary form has been issued; and

(b) The certificate of ownership in beneficiary form may be revoked or the beneficiary changed at any time by:

(1) Sale of the manufactured home, mobile home or commercial coach with proper assignment and delivery of the certificate of ownership to another person; or

(2) Filing an application with, and paying a fee to, the Department to reissue the certificate of ownership with no designation of a beneficiary or with the designation of a different beneficiary.

6. The interest of the beneficiary in a manufactured home, mobile home or commercial coach on the death of the sole owner or on the death of the last surviving joint owner is subject to any contract of sale, assignment or ownership or security interest to which the owner or owners of the manufactured home, mobile home or commercial coach were subject during their lifetime.

7. Except as otherwise provided in paragraph (b) of subsection 5, the designation of a beneficiary in a certificate of ownership in beneficiary form may not be changed or revoked by will, any other instrument or a change in circumstances, or otherwise changed or revoked.

8. The Department shall, upon:

(a) Proof of death of one of the owners, of two or more joint owners or of a sole owner; and

(b) Payment of the fee for a certificate of ownership, ➤ issue a new certificate of ownership for the manufactured home, mobile home or commercial coach to the surviving owner or owners or, if none, to the beneficiary, subject to any security interest.

9. For the purposes of complying with the provisions of subsection 8, the Department may rely on a death certificate, record or report that constitutes prima facie evidence of death.

10. The transfer on death of a manufactured home, mobile home or commercial coach pursuant to this section is not considered as testamentary and is not subject to administration pursuant to the provisions of title 12 of NRS.



11. *As used in this section:*

(a) *“Beneficiary” means a person or persons designated to become the owner or owners of a manufactured home, mobile home or commercial coach on the death of the preceding owner or owners.*

(b) *“Certificate of ownership in beneficiary form” means a certificate of ownership of a manufactured home, mobile home or commercial coach that indicates the present owner or owners of the manufactured home, mobile home or commercial coach and designates a beneficiary.*

Sec. 3.5. *The Administrator shall adopt regulations pertaining to:*

1. *The issuance of a certificate of ownership pursuant to section 2 of this act; and*

2. *The issuance and revocation of a certificate of ownership in beneficiary form and a change in beneficiary for such a certificate of ownership pursuant to section 3 of this act.*

Sec. 4. NRS 489.551 is hereby amended to read as follows:

489.551 ~~Upon~~ *Except as otherwise provided in section 3 of this act, upon* a transfer of the title to or the interest of an owner in a manufactured home, mobile home or commercial coach for which a certificate of ownership is issued pursuant to the provisions of this chapter, the person whose title or interest is to be transferred and the transferee shall write their signatures with ink upon the certificate of ownership issued for the manufactured home, mobile home or commercial coach, together with the residence address of the transferee, in the appropriate spaces provided upon the reverse side of the certificate. ~~Each~~ *The signature of the person whose title or interest is to be transferred that is* written upon a certificate of ownership pursuant to the provisions of this section must be notarized.

Sec. 5. NRS 489.561 is hereby amended to read as follows:

489.561 Whenever an application is made to the Division for title of a manufactured home, mobile home or commercial coach previously titled and the applicant is unable to present the certificate of ownership previously issued because it is lost or being unlawfully detained by one in possession or is not otherwise available, the Division may receive the application and examine the circumstances of the case and require the filing of affidavits or other information. When the Division is satisfied that the applicant is entitled to a certificate of ownership, *or pursuant to section 2 of this act*, it may issue the certificate on the manufactured home, mobile home or commercial coach.

Sec. 6. This act becomes effective:



- 1 1. Upon passage and approval for the purpose of adopting any
- 2 regulations and performing any other preparatory administrative
- 3 tasks that are necessary to carry out the provisions of this act; and
- 4 2. On January 1, 2020, for all other purposes.

