



DEPARTMENT OF BUSINESS AND INDUSTRY
MANUFACTURED HOUSING DIVISION

1830 E. College Pkwy Suite 120
Carson City, NV. 89706
775-684-2940 Fax 775-684-2949
<http://mhd.nv.gov>

Minutes of the Public Workshop held on March 27th, 2014

The Administrator Jim deProse, called the hearing and workshop to order at 9:00 am on Thursday March 27, 2014 at the State of Nevada Housing Division, 1535 Old Hot Springs Rd Suite 50, Carson City, Nevada. The hearing and workshop was video conference with the Bradley Building Conference Room in Las Vegas.

MHD Staff attending in Carson City:

Jim deProse, Administrator
Karen Fox, Licensing Officer
Jim Lynn, Investigator
Diane O'Connor, Program Officer
Adrienne Sawyer, Education Officer
Penny Peabody, Title Officer

Public Attendance in Carson City

Bob Hockenhull, Sierra Shadows MHP
Ronald Ford, Sierra Air
Dave Karr, Anywhere Repair
Gene Temen, Quickspace
I. Claire Morrow, Gold Ridge Homes
Terry Wissenback, TRW
Daniel Kangas S and D Mobile Homes
David Kauffmann, Sun Homes
David A Fox, Fox Company
Dave Shumway, Shumways

Public in Attendance in Las Vegas

Evan Davies, AK Davies
James Weis, Frontier Homes
Michael Fuhrmann, Williams Scotsman
Richard Galella, Richard MHS
Chris Trenton, Modspace
Del Keith, ABC Mobile Homes
Mike Harms, Holmes Mobile Homes
Del Keith, ABC Mobile Homes
Aubrey Liggett, Co-Op MHS Inc.
Miguel Gonzalez, Sierra MHP
Gil Garcia, Day and Night

MHD Staff attending in Las Vegas:

Dee Augdaul, Compliance Investigator
Ryan Sunga, Deputy Attorney General for MHD
Randy Ehart, Investigator
Jessie Swapp, Investigator

Mary Fischer, Cottonwood MHP
Jack Franklin, JE Franklin
Bert A. Reed, Time and Materials
Fred Cutler V, Sani-Hut
Jamie Duenas, J Duenas MS
Steve Gunsten, Gunsten Construction
Rodger Lambert, Lambert Construction
William Anthony, Trinity Homes
Sheena Shrum, Builder Association of Western Nevada

Dennis Linck, Top Dawg MHS
James Kern, Pinnacle Electric
Henry Twigg, Desert Electric
David Lee, Mobile Mini
Ronald Davis, Bargin MHS
F. Damelio, DSMBI
Ron Orr, ASD
Dennis Gregg, Handymen & Assoc.
Jeanne Parrett, El Dorado Estates
Kathy Yi, Vegas Zone Construction
Susan Olmsted, Sierra MHP

OPENING COMMENTS

Gene Temen – Wants on record that he does not agree with most everything that was presented to the LCB Commission. I call it the “love fest” letter. There has never been a safety issue with portable buildings and we have not been regulated in the past 9 years. I feel there were numerous mistakes in the presentation. I would like a written response from the Division of the underlined items of the packet I am presenting, if that’s not too much trouble. I specifically asked you for a meeting. Because you are an appointed official and a public servant, when we have questions, we deserve a response from you. Your email was not a response.

LCB FILE NO. R112-13

Jim deProsse – We would appreciate you submitting the questionnaire regarding the business impact related to R112-13. Does anyone have a comment regarding the small business impact for this regulation? No responses

LCB FILE NO. R113-13

Jim deProsse - We would appreciate you submitting the questionnaire regarding the business impact related to R113-13. Does anyone have a comment regarding the small business impact for this regulation? No responses

LCB FILE NO. R009-12

Jim deProsse – Together with industry the Division worked on development of the definition for Portable Buildings which was passed in the 2011 Legislative Session. The legislature mandated that the division create regulations regarding the installation, construction and maintenance of portable buildings. We have worked with industry through 2 workshops and several individual meetings to make the regulations palpable for industry while keeping public safety and our regulatory responsibility in mind. Because industry did not agree with the language of the regulation presented at the hearing, the Legislative Commission asked us to go back and work with industry. We have distributed a questionnaire and scheduled this workshop to review this matter again. We have created several exhibits to summarize all of the events related to portable buildings in the last several years. Many of the questions addressed in the exhibits were addressed at previous workshops. In the absence of regulations, portable buildings have not been regulated since we do not have the authority to do so.

Exhibit 1 – Chronological Summary

Exhibit 2 – FAQs

Exhibit 3 – Cost Comparison

Exhibit 4 – Plan for implementation of new regulations

Exhibit 5 – Projects requiring a permit

Exhibit 6 – Definition of a Portable Building and Commercial Coach

I ask that we be mindful of the correct terminology of the two different types of structures, since we now have a definitive definition for a portable building. When the Division conducted a survey to determine industry’s inventory of portable buildings, the respondents seemed confused of what type of structures they had.

Bert Reed – What is the cost for dismantling?

Jim deProsse – There is nothing in this regulation about the destruction of these structures. The intent of R009-12 is to create rules regarding the installation, construction and maintenance of portable buildings.

Richard Galella – R112-13, third line down states the dismantling of homes.

Jim deProsse – We are now talking about R009-12. You are looking at the regulation we already discussed.

Jim deProse - We will take a recess for 10 minutes so that Las Vegas can have time to have more copies of the exhibits made available.

David Lee – I think there is great value in having the Division regulate these units. We have a great safety record and I would not want substandard structures come into the market and have that rub off on our reputation. I don't see the need to specify a certain device to be used for an electrical connection.

Jim deProse – Electrical connectivity is addressed in item #22 on the FAQs. It does not have to be specific device. We tried to tailor it to what industry had requested.

David Lee – Will the units that are out in field be grandfathered in, since there was not a regulation prior to them being in the field?

Jim deProse – Do you mean from a compliance or installation perspective?

David Lee – Installation

Jim deProse – We created a 180 day implementation plan, if the building owner decides to use the new regulation. If the Division has already inspected the installation of that unit, there is no expiration for that label. One of the reasons a separate definition for portable buildings was created is because these buildings are moved so frequently. Maybe it's more convenient for us to come out and inspect the buildings at your yard. Any building that currently has an installation label now is still valid. We will also recognize any building that has been issued a compliance label. Any new building that comes into inventory will need a compliance label and an installation label.

David Lee – If we have 15 units in our yard that need to be tagged will we be charged an inspection fee for each unit?

Jim deProse – We want to help keep the cost down as much as possible for industry, so I think we can do them all at once, which would require only one inspection fee. I think that is very doable.

David Lee – Was the 3 day notification modified or is it the same?

Jim deProse– This is #7 in the FAQs. The Division has the authority to request any information on demand, without any notice.

David Lee – So this is not for every time we move the unit. This is only upon request for a special reason.

Jim deProse – We do not have the resources or desire to check up on everybody. The reason for the 3 days notice is if there is an investigation for fraud or safety issue.

David Lee – It will effect my budget to have this expense every two years. Would it be possible to have the fees charged annually? That would make more sense to me. This would be a line item on my annual profit and loss statement.

Jim DeProse – I don't recall this coming up before. Can you please enter that on your response on the questionnaire? Please enter that comment on the questionnaire to be submitted.

Gene Temen – I echo David Lee. We do not oppose oversight from this Division for Portable Buildings. We are very adamant about the cumbersome amount of work that we have to do to provide you and our customers with information and compliance seems excessive for the amount of grief and cost. Has the Division ever had to do any investigation on a Commercial Coach Dealer for any reason? Commercial Coach vs. Portable Building is the heart of our issue.

Can I ask how many Portable Building Dealers are in attendance right now? - Less than 10

How many people in this room perform services for portable building? – Less than 10

How come everything happens in Carson City? How come the Division cannot come to Las Vegas and meet with more Portable Industry people? It is not fair for us have all of our questions answered 2 days before this workshop. Where would you come up with these numbers in your comparison chart? How much will it cost us? It has not cost us any money in the last 2 ½ years. We want to know how much it will cost us.

Jim d – I would be more than happy to address one question at a time.

Cost - *Reviewed Exhibit 3.

Meeting with industry – I have been very accommodating to showing up to your places of business. I have been to every Portable Building Dealer's place of business. When we discuss a regulatory issue, I need to be careful that I am not violating any open meeting laws.

Gene Temen – If we are going to do this in an open meeting format, then we will have many workshops, because most of the people in this room are not affected by this regulation. If we are going to do this in a formal meeting setting, I can tell you this process is going to be awhile. We need to have our input.

Jim deProse – We have found after creating the exhibits that almost all of the questions have been answered in previous workshops. I think there were only 2 or 3 questions listed formally in our exhibits that were not answered in previous workshops. The Division is very willing to work with industry. The mission is to meet our regulatory mandate and to work with industry.

Sheena Sharman – Exhibit 3 – is this all a new cost?

Jim deProse – There is no regulation at this time, so there has not been a cost. But the only thing we have to compare it with is when portable buildings were considered commercial coaches. The proposed cost defers a lot of expense for industry since the fee used be for each time a building was moved. The engineered plan fee is not new.

Karen Fox – I used testimony from previous workshops where it is was stated that engineered plans cost between \$200 - \$300. Also, using the cost differential would be much higher if you are going to move the building more than 4 times in a two year period. The engineered plans are only for each configuration, NOT each building.

Gene Temen – In the past the Division has not required engineered compliance plans for used buildings, so, Karen this is not quite right.

Jim deProse – Any building whether it is new or used, must have a compliance label when it comes into the state. Some Dealers choose to buy used buildings. So we work with industry to affix a certification label if there are no drawings available, because it is used. That is separate from the installation label. They have to be compliant certified before they can be installed. This is separate from the installation label.

We have tried to defer cost

Gene Temen – Would you consider the size of the building as engineered configuration plans? Would that be the configuration or would it be the position of the A/C units, doors or windows? At \$250 a piece, it can get expensive.

Jim deProse – For the purposes of the 2-year installation certificate, we are not concerned about the position of the door.

Roger Lambert – Will this affect the scheduling of inspections for those of us who work on manufactured homes, especially in rural areas? Is the Division going to have resources to regulate all of the inspections?

Jim deProse – The reason for the survey was to solicit the number of portable buildings. There were roughly 230 buildings out in the field. We now have contracted inspectors on hand to conduct inspections in the rural areas.

Roger Lambert – I think it will make a large impact on inspections.

Jim deProse – Today there are no inspections being performed. If you lease a building from Quick Space for 2 months, we are not going to inspect that if they have a 2-year label, so we are not going to inspect it each time it is moved.

Roger Lambert – Is there going to be an inspection required when they drop off a building at a construction site?

Jim deProse – No, because it is going to have a 2-year installation inspection label on it and the method of installation already in the building. So it is self policing in a sense. Because now he can move it as many times as he wants, since he has paid for the 2-year installation inspection.

Ron Ford – What does the Division plan to do with the extra money that will be received for this new plan?

Jim DeProse – The amount of money that will be taken in, is much less than one would imagine. We are a fee based agency. We have not increased our fees in 15 years. We are only talking about a 15k to 20k increase in revenue annually. This is an estimate. The increase is not that much. The Division is very proud that we have not increased the fees in 15 years. We do not plan on increasing our fees in the near future.

Gene Temen – Were you thinking that there were 230 portable buildings in the state?

Jim deProse – We did a recent survey to get a feel for how many structures are out there. The rough ratio is 75% commercial coaches to 25% portable buildings. This is from the 10 or so licensees we contacted. The 25% population was 230. We were trying to get a ballpark. Not everyone responded.

Gene Temen – I would suspect the number is more than 1,000. The survey was not very scientific. We think you are going to get a windfall. It is going to be a burdensome for us. It is a big deal. I have no idea why you chose every two years. I never agreed to 2 years. These buildings are so simplistic. We have never had a safety issue. There is a lot more of these things than what you think and it is going to cost us a lot of money. How do you intend to license the people who are going to do the work? I do the modifications myself. I take an 8 x 20 sea container and I make a portable building out of it. I have no idea if I am in compliant with you. Can we change a light switch? I would like to know how we are going to license the people who modify these buildings to become a portable building. I don't want to be regulated out of business.

Karen Fox – We included the list of repairs requiring a permit as one of the exhibits. You do not need to be licensed to move the A/C unit or change a ballast or light bulb.

Jim deProse – Today, there are no regulations on portable buildings repairs.

Gene Temen – In your presentation to the Legislative Commission, it was stated that there will be no change to companies who construct portable buildings. What does that mean? Every jurisdiction that has a ticket book has jurisdiction over us; MSHA, OSHA, local building people, you name it, every single one of these agencies has jurisdiction over us. We have much more that just you Division looking over us. They all get a bite of the apple. The reason we are pushing back so hard on this, is that we are setting precedence not just for Nevada, but for Arizona and California. As soon as you adopt this it will tell Arizona, who has zero oversight on portable buildings, that they should do the same. Nevada is the most cumbersome place to do business out there. We are afraid of the domino effect.

Jim deProse – Is there any more questions regarding R009-12? There was a question pertaining to dismantling of mobile homes in R112-13.

Richard Galella – That was me.

Jim deProse – I will let Jim Lynn, our Compliance Investigator answer this.

Jim Lynn – Basically, we are trying to better define what we mean by a dismantled home. We have seen instances where a home was supposedly dismantled and it shows up 3 months later at a new location.

Ron Ford – One of the workshops a while ago included a change for specialty servicepersons to no longer be required to have CE for their renewals.

Karen Fox – That is correct. The statute was passed last session. Specialty Servicepersons are no longer required to take CE classes.

Jim deProse – The reason is that they are already licensed with the Contractors Board.

Bert Reed – Can the dismantling of a MH be done by park management or does it need to be done by a licensed serviceperson?

Jim Lynn – Dismantling does not need to be done by a licensed serviceperson. However, park management needs to submit a declaration of dismantling.

Diane O'Connor – You need to submit pictures and forms that can be found on our website.

Jim deProse – Can we table that, so we can research and get back to you? We will follow up on that answer. The draft is only looking at MHPs and what dismantling really means. The Division agreed to follow up on dismantling clarity.

Bert Reed – If we have been a general serviceperson with the Division for 10 years-plus. Why do we need to have to continue to take CE classes?

Jim deProse – The exception for the specialty servicepersons is because they have to have Contractors Board license first. It doesn't mean that things can change. This would have to happen in legislation.

Richard Galella – I work with a lot of contractors in this room. Why on earth would you not want them to have CE when working on stick homes is a totally different animal when working on Manufactured Homes.

Jim deProse – The discussion today is about these 3 files. Not that your questions are not good questions, but they are not related to the workshop files. Legislation passed to change that.

Ron Orr – I would have to agree with Richard about the discontinuation of Continued Education for Specialty Servicepersons. I'm not sure how this works in Northern Nevada, but in Southern Nevada, I think we've just opened the door that a park manager or anyone can dismantle a home.

Jim deProse – I chose to not have staff answer that because I'm not sure if we are answering that accurately. Question number one was, does the dismantling of a home need to be done by a licensed serviceperson? Question number two was, does it require a permit? I want to respond to that question, even though it is not part of this workshop, but I want to make sure we give you accurate information.

Ron Orr – You need to look at Washoe County Building Department. They require an asbestos inspection first, before the home is dismantled. Asbestos removal has to be done by a licensed person. And you have to have a permit for dust control. It comes down to the square footage of the home also.

Jim deProse – Thank you for that information.

Bert Reed – You let untrained people dismantle a home, there will be insulation a quarter mile around the area home. It needs to be done properly by someone who is licensed.

Mary Fisher – I am a park owner. I am a little prejudice of the folks who are licensed to work on manufactured homes. I don't think it is necessary to have a license to do everything. The foreman of the crews need to be licensed and on the job at all times.

Dave Karr – When applicable, I just haul them off in one piece and let the dump deal with it. What do I have to do? Get a receipt from the dump?

Diane O'Connor – The whole process is on the website.

Jim deProse – This language is to define what dismantling is. There are times when a park owner has paid for a home to be dismantled and it gets back in the system and is now non-compliant, when the title has been retired. It is an industry issue.

Sheena Brawn – What is the definition of a distributor? And would it be a new fee?

Jim deProse – It is defined in NRS 489.081. It is a middle-person. Yes, it would be a new fee. We currently have no licensed distributors. Are there any questions in Las Vegas or Carson City?

PUBLIC COMMENTS

Richard Galella – I would like the Division to look at hot water heaters that do not have a manufactured date or serial number on them. The warranty should not start until the unit is actually installed.

Jim deProsse – Can Jim Lynn look at this?

Ron Ford – Every unit we install that has a serial number on it, we have to go to the manufacturer’s website and complete the warranty information online, no matter if it is a water heater, air conditioner, no matt

Bert Reed – The problem I have seen is air conditioning units installed incorrectly. The servicepersons run the drain pipe directly on the ground; it creates moisture under the home, which causes heaving; and now the home starts cracking.

Ron Orr - The adjusters never include the permit fee. I think there should be a regulation that says that adjusters must include permit fees. The insurance companies are very hard on theses elderly people.

Jim deProsse – Are there any other public comments? Meeting was adjourned at 11:50 am.