

SENATE BILL NO. 5—JOINT RULES COMMITTEE

PREFILED JUNE 13, 2001

Referred to Committee of the Whole

SUMMARY—Makes various changes relating to insurance for motor vehicles. (BDR 43-4)

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

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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 insurance for motor vehicles; specifying that any information except the name of the owner of a motor vehicle may be used as the primary means to verify that a motor vehicle is insured; providing that an operator's policy of liability insurance may only be issued to certain persons; allowing the release of information related to insurance policies under certain circumstances; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 482.480 is hereby amended to read as follows:
2 482.480 There must be paid to the department for the registration or
3 the transfer or reinstatement of the registration of motor vehicles, trailers
4 and semitrailers, fees according to the following schedule:
5 1. Except as otherwise provided in this section, for each stock
6 passenger car and each reconstructed or specially constructed passenger car
7 registered to a person, regardless of weight or number of passenger
8 capacity, a fee for registration of \$33.
9 2. Except as otherwise provided in subsection 3:
10 (a) For each of the fifth and sixth such cars registered to a person, a fee
11 for registration of \$16.50.
12 (b) For each of the seventh and eighth such cars registered to a person, a
13 fee for registration of \$12.
14 (c) For each of the ninth or more such cars registered to a person, a fee
15 for registration of \$8.
16 3. The fees specified in subsection 2 do not apply:
17 (a) Unless the person registering the cars presents to the department at
18 the time of registration the registrations of all of the cars registered to him.
19 (b) To cars that are part of a fleet.
20 4. For every motorcycle, a fee for registration of \$33 and for each
21 motorcycle other than a trimobile, an additional fee of \$6 for motorcycle



1 safety. The additional fee must be deposited in the state highway fund for
2 credit to the account for the program for the education of motorcycle
3 riders.

4 5. For each transfer of registration, a fee of \$6 in addition to any other
5 fees.

6 6. Except as otherwise provided in subsection ~~18~~ 9 of NRS 485.317,
7 to reinstate the registration of a motor vehicle suspended pursuant to that
8 section:

9 (a) A fee of \$250 for a registered owner who failed to have insurance on
10 the date specified in the form for verification that was mailed by the
11 department pursuant to subsection ~~12~~ 3 of NRS 485.317; or

12 (b) A fee of \$50 for a registered owner of a dormant vehicle who
13 canceled the insurance coverage for that vehicle or allowed the insurance
14 coverage for that vehicle to expire without first canceling the registration
15 for the vehicle in accordance with subsection 3 of
16 NRS 485.320,
17 both of which must be deposited in the account for verification of
18 insurance which is hereby created in the state highway fund. The money in
19 the account must be used to carry out the provisions of NRS 485.313 to
20 485.318, inclusive.

21 7. For every travel trailer, a fee for registration of \$27.

22 8. For every permit for the operation of a golf cart, an annual fee of
23 \$10.

24 9. For every low-speed vehicle, as that term is defined in
25 NRS 484.527, a fee for registration of \$33.

26 10. To reinstate the registration of a motor vehicle that is suspended
27 pursuant to NRS 482.451, a fee of \$33.

28 **Sec. 2.** NRS 485.186 is hereby amended to read as follows:

29 485.186 1. Except as otherwise provided in subsection ~~16~~ 7, any
30 natural person may satisfy the requirements of NRS 485.185 by obtaining,
31 in lieu of an owner's policy of liability insurance, an operator's policy of
32 liability insurance which meets the requirements of this section and NRS
33 485.3091.

34 2. *An operator's policy of liability insurance may only be issued to a*
35 *person if:*

36 (a) *The number of motor vehicles that he owns is greater than the*
37 *number of persons in his household who possess a driver's license; and*

38 (b) *Each person in his household who possesses a driver's license is*
39 *covered by an operator's policy of liability insurance.*

40 3. An operator's policy of liability insurance must state, in addition to
41 the requirements of NRS 485.3091, that:

42 (a) The insurer is only liable under the policy for liability incurred by
43 the insured while the named insured is the operator of a motor vehicle or
44 while a motor vehicle owned by the insured is not being operated by any
45 person;

46 (b) The policy does not provide coverage for any vicarious liability
47 imposed on the owner of the motor vehicle as a result of the operation by
48 another person of a motor vehicle owned by the insured or for any liability
49 imposed by NRS 41.440 or 483.300; and



1 (c) The coverage provided by the policy may not meet the requirements
2 of the financial responsibility laws of other states,
3 unless such extended coverage is expressly included in the policy. No
4 operator's policy of liability insurance may be delivered or issued for
5 delivery in this state unless the insured has signed an endorsement stating
6 that he has read and understood the policy and its limitations.

7 ~~13-1~~ 4. An owner of a motor vehicle which is registered or required to
8 be registered in this state and who holds an operator's policy of liability
9 insurance shall not permit another person to operate his motor vehicle if the
10 owner knows or should have known that the person does not have liability
11 insurance to cover his own operation of that motor vehicle.

12 ~~14-1~~ 5. An operator's policy of liability insurance must not provide
13 coverage for damages incurred while a person other than the named
14 insured is operating a motor vehicle.

15 ~~15-1~~ 6. An operator's policy of liability insurance must provide
16 coverage for liability incurred by the insured while a motor vehicle owned
17 by the insured is not being operated by any person.

18 ~~16-1~~ 7. This section does not apply to a lessor, dealer, manufacturer,
19 rebuilder or distributor of a motor vehicle, an owner of a fleet, a common,
20 contract or private motor carrier or any other employer who owns a motor
21 vehicle for use in his business.

22 **Sec. 3.** NRS 485.316 is hereby amended to read as follows:

23 485.316 1. Except as otherwise provided in subsections 2 and 3,
24 information which is maintained in the database created pursuant to
25 NRS 485.313 is confidential.

26 2. The department may only disclose information which is maintained
27 in the database, upon request, to a state or local governmental agency for
28 the purpose of enforcing NRS 485.185, including investigating or litigating
29 a violation or alleged violation.

30 3. The department may only disclose information retrieved from the
31 database to:

32 (a) A person who requests information regarding his own status;

33 (b) The parent or legal guardian of the person about whom the
34 information is requested if the person is an unemancipated minor or legally
35 incapacitated;

36 (c) A person who has a power of attorney from the person about whom
37 the information is requested;

38 (d) A person who submits a notarized release from the person about
39 whom the information is requested which is dated no more than 90 days
40 before the date of the request; or

41 (e) A person who has suffered a loss or injury in an accident involving a
42 motor vehicle , *or his authorized insurer or a representative of his*
43 *authorized insurer*, who requests ~~information~~ :

44 (1) *Information* for use in the accident report ~~1-1~~ ; and

45 (2) *For each motor vehicle involved in the accident:*

46 (I) *The name and address of each registered owner;*

47 (II) *The name of the insurer; and*

48 (III) *The number of the policy of liability insurance.*



1 4. A person who knowingly violates the provisions of this section is
2 guilty of a category D felony and shall be punished as provided in
3 NRS 193.130.

4 *5. As used in this section, "authorized insurer" has the meaning*
5 *ascribed to it in NRS 679A.030.*

6 **Sec. 4.** NRS 485.317 is hereby amended to read as follows:

7 485.317 1. ~~The~~ *Subject to the limitations set forth in this*
8 *subsection and subsection 2, the* department shall, at least monthly,
9 compare the current registrations of motor vehicles to the information in
10 the database created pursuant to NRS 485.313 to verify that each motor
11 vehicle:

12 (a) Which is newly registered in this state; or

13 (b) For which a policy of liability insurance has been issued, amended
14 or terminated,

15 is covered by a policy of liability insurance as required by NRS 485.185. In
16 identifying a motor vehicle for verification pursuant to this subsection, the
17 department ~~shall,~~ *may*, if the motor vehicle was manufactured during or
18 after 1981, use only *the last eight digits of* the vehicle identification
19 number ~~. in whole or in part.~~ *In comparing the vehicle identification*
20 *number of a motor vehicle to the vehicle identification number in a*
21 *policy of liability insurance, to determine if the two vehicle identification*
22 *numbers match, the department may find that the two vehicle*
23 *identification numbers match if no fewer than seven of the last eight*
24 *digits of the two vehicle identification numbers match.*

25 2. ~~The~~ *Except as otherwise provided in this subsection, the*
26 *department may use any information to verify, pursuant to subsection 1,*
27 *whether the motor vehicle is covered by a policy of liability insurance as*
28 *required by NRS 485.185. The department may not use the name of the*
29 *owner of a motor vehicle as the primary means of verifying that a motor*
30 *vehicle is covered by a policy of liability insurance.*

31 3. *If, pursuant to subsection 1, the department determines that a*
32 *motor vehicle is not covered by a policy of liability insurance as required*
33 *by NRS 485.185, the department* shall send a form for verification by first-
34 class mail to each registered owner that it determines has not maintained
35 the insurance required by NRS 485.185. The owner shall complete the form
36 with all the information which is requested by the department, including
37 whether he carries an owner's or operator's policy of liability insurance or
38 a certificate of self-insurance, and return the completed form within 20
39 days after the date on which the form was mailed by the department. If the
40 department does not receive the completed form within 20 days after it
41 mailed the form to the owner, the department shall send to the owner a
42 second form for verification by certified mail. The owner shall complete
43 the form and return it to the department within 15 days after the date on
44 which it was sent by the department. This subsection does not prohibit an
45 authorized agent of the owner from providing to the department:

46 (a) The information requested by the department pursuant to this
47 subsection.

48 (b) Additional information to amend or correct information already
49 submitted to the department pursuant to this subsection.



1 ~~13-1~~ 4. When the department receives a completed form for
2 verification, it shall verify the information on the form.
3 ~~14-1~~ 5. The department shall suspend the registration and require the
4 return to the department of the license plates of any vehicle for which:
5 (a) Neither of the forms for verification set forth in subsection ~~12-1~~ 3 is
6 returned to the department by the registered owner or his authorized agent
7 within the period specified in that subsection;
8 (b) Either of the forms for verification set forth in subsection ~~12-1~~ 3 is
9 returned to the department by the registered owner or his authorized agent
10 and the department is not able to verify the information on the form; or
11 (c) Either of the forms for verification set forth in subsection ~~12-1~~ 3 is
12 returned by the registered owner or his authorized agent with an admission
13 of having no insurance or without indicating an insurer or the number of a
14 motor vehicle liability policy or a certificate of self-insurance.
15 ~~15-1~~ 6. If the department suspends a registration pursuant to subsection
16 ~~14-1~~ 5 because:
17 (a) Neither the owner nor his authorized agent returned a form for
18 verification within the specified period or the owner or his authorized agent
19 returned a form for verification that was not completed sufficiently, and the
20 owner or his authorized agent, thereafter:
21 (1) Proves to the satisfaction of the department that there was a
22 justifiable cause for his failure to do so;
23 (2) Submits a completed form regarding his insurance on the date
24 stated in the form mailed by the department pursuant to subsection ~~12-1~~ 3;
25 and
26 (3) Presents evidence of current insurance; or
27 (b) The owner or his authorized agent submitted to the department a
28 form for verification containing information that the department was
29 unable to verify and, thereafter, the owner or his authorized agent presents
30 to the department:
31 (1) A corrected form or otherwise verifiable evidence setting forth
32 that the owner possessed insurance on the date stated in the form; and
33 (2) Evidence of current insurance,
34 the department shall rescind its suspension of the registration if it is able to
35 verify the information on the form or the other evidence presented. The
36 department shall not charge a fee to reinstate a registration, the suspension
37 of which was rescinded pursuant to this subsection. For the purposes of this
38 subsection, "justifiable cause" may include, but is not limited to, the fact
39 that the owner did not receive the form mailed by the department pursuant
40 to subsection ~~12-1~~ 3.
41 ~~16-1~~ 7. Except as otherwise provided in ~~subsection 7-1~~ subsections 8
42 and 9, if a registered owner whose registration is suspended pursuant to
43 subsection ~~14-1~~ 5, failed to have insurance on the date specified in the form
44 for verification, the department shall reinstate the registration of the vehicle
45 and reissue the license plates only upon filing by the registered owner of
46 evidence of current insurance and payment of the fee for reinstatement of
47 registration prescribed in paragraph (a) of subsection 6 of NRS 482.480.
48 ~~17-1~~ 8. If a registered owner proves to the satisfaction of the department
49 that his vehicle was a dormant vehicle during the period in which the



1 information provided pursuant to NRS 485.314 indicated that there was no
2 insurance for the vehicle, the department shall reinstate his registration and,
3 if applicable, reissue his license plates. If such an owner of a dormant
4 vehicle failed to cancel the registration for the vehicle in accordance with
5 subsection 3 of NRS 485.320, the department shall not reinstate his
6 registration or reissue his license plates unless the owner pays the fee set
7 forth in paragraph (b) of subsection 6 of NRS 482.480.

8 ~~8-1~~ 9. If the department suspends the registration of a motor vehicle
9 pursuant to subsection ~~44~~ 5 because the registered owner of the motor
10 vehicle failed to have insurance on the date specified in the form for
11 verification, and if the registered owner, in accordance with regulations
12 adopted by the department, proves to the satisfaction of the department that
13 he was unable to comply with the provisions of NRS 485.185 on that date
14 because of extenuating circumstances, the department may:

15 (a) Reinstate the registration of the motor vehicle and reissue the license
16 plates upon payment by the registered owner of a fee of \$50, which must
17 be deposited in the account for verification of insurance created by
18 subsection 6 of NRS 482.480; or

19 (b) Rescind the suspension of the registration without the payment of a
20 fee.

21 The department shall adopt regulations to carry out the provisions of this
22 subsection.

23 ~~9-1~~ 10. For the purposes of verification of insurance by the department
24 pursuant to this section, a ~~registered owner shall not~~ motor vehicle shall
25 be deemed to ~~have failed to maintain~~ be covered by liability insurance
26 ~~for a motor vehicle~~ unless the motor vehicle is without coverage for a
27 period of more than 7 days.

28 **Sec. 5.** 1. This section and section 3 of this act become effective on
29 July 1, 2001.

30 2. Sections 1, 2 and 4 of this act become effective on January 1, 2002.

