
ASSEMBLY BILL NO. 1—ASSEMBLYWOMAN GIUNCHIGLIANI

PREFILED DECEMBER 18, 1998

Referred to Committee on Commerce and Labor

SUMMARY—Limits circumstances under which person licensed to engage in business of lending may lend money secured by certificate of title to motor vehicle. (BDR 54-283)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: 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 the lending of money; clarifying that the acceptance of the certificate of title to a motor vehicle as security for a loan constitutes pawnbroking; limiting the circumstances under which a person licensed to engage in the business of lending may lend money secured by such a certificate; 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 646.010 is hereby amended to read as follows:
2 646.010 “Pawnbroker” means every person engaged, in whole or in part,
3 in the business of loaning money on the security of pledges, deposits or other
4 secured transactions in personal property ~~[]~~, ***including the acceptance of the***
5 ***certificate of title to a motor vehicle.***
6 **Sec. 2.** NRS 646.050 is hereby amended to read as follows:
7 646.050 1. A pawnbroker may charge and receive interest at the rate of
8 10 percent a month for money loaned on the security of personal property
9 actually received in pledge ~~[]~~ ***or secured by the acceptance of the certificate***
10 ***of title to a motor vehicle,*** and a person shall not ask or receive a higher rate
11 of interest or discount on any such loan, or on any actual or pretended sale or
12 redemption of personal property. For any loan made, a pawnbroker may make
13 an initial charge of \$5 in addition to interest at the authorized rate.
14 2. All personal property must be held for redemption for at least 120 days
15 after the date of pledge with any pawnbroker.
16 3. A pawnbroker shall give to the person securing the loan a printed
17 receipt clearly showing the amount loaned and rate of interest, together with a
18 description of the pledged property. The receipt must be marked in such a

1 manner that the amounts of principal and interest paid by the person securing
2 the loan can be clearly designated. Each payment must be entered upon the
3 receipt, and each entry must designate how much of the payment is being
4 credited to principal and how much to interest, with dates of payments shown
5 thereon.

6 4. A pawnbroker shall not charge more than \$3 per day for the storage of
7 a motor vehicle which is collateral for a loan.

8 **Sec. 3.** NRS 675.350 is hereby amended to read as follows:

9 675.350 No licensee may:

10 1. Take any confession of judgment or any power of attorney running to
11 himself or to any third person to confess judgment or to appear for the
12 borrower in a judicial proceeding.

13 2. Take any note or promise to pay which does not disclose the date and
14 amount of the loan obligation, a schedule or description of the payments to be
15 made thereon and the rate or aggregate amount of the agreed charges.

16 3. Take any instrument in which blanks are left to be filled in after the
17 loan is made.

18 4. Take a lien upon real property as security for any loan made under this
19 chapter except real property upon which is situated a mobile home or factory-
20 built housing that also secures the loan, and except such lien as is created by
21 law through the rendition or recording of a judgment.

22 **5. *Lend money upon the security of a certificate of title to a motor***
23 ***vehicle, except to a bona fide dealer in motor vehicles.***

24 **Sec. 4.** This act becomes effective on July 1, 1999.