

ASSEMBLY BILL No. 258—ASSEMBLYMEN CHOWNING, SEGERBLOM, DE BRAGA, MORTENSON, CLABORN, MCCLAIN, KOIVISTO, FREEMAN, BACHE, ANDERSON, TIFFANY, THOMAS, PARKS, GIBBONS, BERMAN, EVANS, CEGAVSKE, PRICE, ARBERRY, OHRENSCHALL, MANENDO, HUMKE, DINI, PERKINS, BUCKLEY AND BROWER

FEBRUARY 16, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions concerning automotive repairs. (BDR 52-1232)

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

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

AN ACT relating to automotive repairs; requiring a garageman to display at his place of business certain information concerning the repair of motor vehicles and to file a bond with the department of motor vehicles and public safety under certain circumstances; revising the provisions concerning a written estimate of cost to repair a motor vehicle; extending the date upon which the advisory board on the repair of motor vehicles expires by limitation; 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 597.490 is hereby amended to read as follows:
2 597.490 1. ~~Every~~ ***Each*** garageman shall display conspicuously in
3 those areas of his place of business frequented by persons seeking repairs
4 on motor vehicles a sign, not less than 22 inches by 28 inches in size,
5 setting forth in boldface letters the following:
6
7 STATE LAW REQUIRES THAT ~~[UPON REQUEST BY ANY]~~
8 ***EACH*** PERSON AUTHORIZING REPAIRS TO A MOTOR
9 VEHICLE ~~[, SUCH PERSON SHALL BE GIVEN]~~ ***MUST BE***
10 ***PROVIDED WITH*** A WRITTEN ESTIMATE OF TOTAL
11 CHARGES FOR LABOR AND PARTS AND ACCESSORIES,

1 AND THAT ~~NO~~ A CHARGE MAY **NOT** BE MADE
2 EXCEEDING THE ESTIMATED AMOUNT BY 20 PERCENT OR
3 ~~[\$40,]~~ **\$100**, WHICHEVER IS LESS, WITHOUT THE CONSENT
4 OF THE PERSON AUTHORIZING THE REPAIRS.

5
6 **NEVADA AUTOMOTIVE REPAIR CUSTOMER**
7 **BILL OF RIGHTS**
8

9 **AS A CUSTOMER IN NEVADA, YOU HAVE THE RIGHT TO**
10 **CHOOSE A BUSINESS THAT WILL ENSURE THE PROPER**
11 **REPAIR OF YOUR VEHICLE. YOU ARE ENTITLED TO THE**
12 **FOLLOWING WHEN YOU HAVE YOUR VEHICLE REPAIRED:**

13 **YOU HAVE THE RIGHT TO RECEIVE A WRITTEN**
14 **ESTIMATE OF CHARGES FOR ANY REPAIRS MADE TO**
15 **YOUR VEHICLE THAT EXCEED \$25. (NRS 597.510)**

16 **YOU HAVE THE RIGHT TO READ AND UNDERSTAND ALL**
17 **DOCUMENTS AND WARRANTIES BEFORE YOU SIGN THEM.**
18 **(NRS 597.490)**

19 **YOU HAVE THE RIGHT TO INSPECT ALL REPLACED**
20 **PARTS AND ACCESSORIES THAT ARE COVERED BY A**
21 **WARRANTY AND FOR WHICH A CHARGE IS MADE. (NRS**
22 **597.550)**

23 **YOU HAVE THE RIGHT TO REQUEST THAT ALL**
24 **REPLACED PARTS AND ACCESSORIES THAT ARE NOT**
25 **COVERED BY A WARRANTY BE RETURNED TO YOU. (NRS**
26 **597.550)**

27 **YOU HAVE THE RIGHT TO REQUIRE AUTHORIZATION**
28 **BEFORE ANY ADDITIONAL REPAIRS ARE MADE TO YOUR**
29 **VEHICLE IF THE CHARGES FOR THOSE REPAIRS EXCEED**
30 **20% OF THE WRITTEN ESTIMATE OF CHARGES OR \$100,**
31 **WHICHEVER IS LESS. (NRS 597.520)**

32 **YOU HAVE THE RIGHT TO RECEIVE A COMPLETED**
33 **STATEMENT OF CHARGES FOR REPAIRS MADE TO YOUR**
34 **VEHICLE. (NRS 487.035)**
35

36 **IF A DISPUTE DEVELOPS CONCERNING THE REPAIR OF**
37 **YOUR VEHICLE, YOU HAVE A RIGHT TO A FAIR**
38 **RESOLUTION OF THAT DISPUTE. CALL THE CONSUMER**
39 **AFFAIRS DIVISION OF THE DEPARTMENT OF BUSINESS**
40 **AND INDUSTRY IN CLARK COUNTY AT 486-7355. IN ALL**
41 **OTHER AREAS OF THE STATE, CALL TOLL-FREE AT**
42 **1-(800) 326-5202.**

2. Any person who violates the provisions of this section is guilty of a misdemeanor.

Sec. 2. NRS 597.510 is hereby amended to read as follows:

597.510 1. A person requesting or authorizing the repair of a motor vehicle ~~is entitled, at his specific request, to~~ **that is more than \$25 must** be furnished an estimate or statement signed by the person making ~~such~~ **the** estimate or statement on behalf of the garageman, indicating the total charge for the performance of the work necessary to accomplish the repair, including the charge for labor and all parts and accessories necessary to ~~the performance of such~~ **perform the** work.

2. ~~When~~ **If** the estimate is for the purpose of diagnosing a malfunction, the estimate ~~shall~~ **must** include the cost of ~~diagnosis~~ :

(a) **Diagnosis** and disassembly ; and ~~the cost of reassembly~~

(b) **Reassembly**, if the person does not authorize the repair.

3. **The provisions of this section do not require a garageman to reassemble a motor vehicle if he determines that the reassembly of the motor vehicle would render the vehicle unsafe to operate.**

Sec. 3. NRS 597.520 is hereby amended to read as follows:

597.520 ~~When an estimate has been furnished pursuant to NRS 597.510, and~~ **If** it is determined that additional charges ~~exceeding 20 percent of the estimate, or \$40, whichever is less,~~ **are required to perform the repair authorized, and those additional charges exceed, by 20 percent or \$100, whichever is less, the amount set forth in the estimate or statement required to be furnished pursuant to the provisions of NRS 597.510,** the garageman shall notify the person authorizing the repairs of the amount of ~~such~~ **those** additional charges.

Sec. 4. NRS 597.530 is hereby amended to read as follows:

597.530 1. The person authorizing the repairs may waive the notification required by NRS 597.520 by executing the waiver described in subsections 2, 3 and 4.

2. The waiver ~~shall~~ **must** be executed by the person authorizing the repairs at the time ~~of authorization of such repairs. It shall~~ **he authorizes those repairs and must** include the following statement set forth in boldface letters not less than 1/4 inch high:

STATE LAW ~~REQUIRES THAT WHEN~~ **PROHIBITS** A
GARAGEMAN ~~HAS GIVEN A PERSON AUTHORIZING~~
~~REPAIRS A WRITTEN ESTIMATE SETTING FORTH THE~~
~~TOTAL COST FOR LABOR AND PARTS AND ACCESSORIES~~
~~TO ACCOMPLISH~~ **FROM CHARGING AN ADDITIONAL**
AMOUNT FOR REPAIRS ON A MOTOR VEHICLE ~~NO~~
~~CHARGE CAN BE MADE EXCEEDING THE ESTIMATED~~
~~AMOUNT~~ **WITHOUT THE CONSENT OF THE PERSON**

AUTHORIZING THE REPAIRS, IF THE ADDITIONAL AMOUNT EXCEEDS, BY 20 PERCENT OR ~~[\$40,]~~ \$100, WHICHEVER IS LESS, ~~[WITHOUT THE CONSENT OF SUCH PERSON.]~~ THE AMOUNT SET FORTH IN THE WRITTEN ESTIMATE OF THE TOTAL COST OF THE REPAIRS PROVIDED TO THE PERSON AUTHORIZING THE REPAIRS . THE PERSON MAY, HOWEVER, WAIVE HIS RIGHT TO SUBSEQUENT APPROVAL OF ~~[INCREASED CHARGES, SHOULD THEY BE FOUND]~~ AN ADDITIONAL CHARGE, IF THE CHARGE IS DETERMINED TO BE NECESSARY, BY EXECUTING THIS WAIVER.

3. ~~[This shall]~~ **The statement set forth in subsection 2 must** be followed by the certification set forth below, and the signature of the person authorizing the repairs:

The undersigned hereby certifies that he has read the preceding statement and knowingly and intentionally waives the right to approve any increased charges, ~~[should they be found]~~ **if those charges are determined to be** necessary to complete the required repairs on this motor vehicle.

4. The form containing the waiver ~~[shall contain:]~~ **must set forth:**

- (a) The date.
- (b) The vehicle make, body type and registration plate number.
- (c) The work order number assigned by the garageman to the work to be performed on the vehicle.
- (d) The name, address and telephone number , ~~[H]~~ if any , ~~[D]~~ of the person authorizing the repairs.

Sec. 5. Chapter 487 of NRS is hereby amended by adding thereto the provisions set forth as sections 6 and 7 of this act.

Sec. 6. ***A garageman who knowingly fails to obtain a certificate of registration pursuant to the provisions of NRS 487.560 or to renew that registration pursuant to the provisions of NRS 487.565 may not:***

1. Enforce a lien on a motor vehicle for the cost of repairs made by him to the motor vehicle; or

2. Sue on any contract for those repairs.

Sec. 7. 1. Each person who submits an application for registration pursuant to the provisions of NRS 487.560 must include in the application a written statement to the department that specifies whether he agrees to submit to binding arbitration any claims against him arising out of a contract for repairs made by him to a motor vehicle. If the person fails to submit the statement to the department or specifies in the

1 *statement that he does not agree to arbitrate those claims, the person*
2 *shall file with the department a bond in the amount of \$10,000, with a*
3 *corporate surety for the bond that is licensed to do business in this state.*
4 *The form of the bond must be approved by the attorney general and be*
5 *conditioned upon whether the applicant conducts his business as an*
6 *owner or operator of a garage without fraud or fraudulent representation*
7 *and in compliance with the provisions of NRS 487.035, 487.530 to*
8 *487.570, inclusive, and 597.480 to 597.590, inclusive.*

9 *2. The bond must be continuous in form and the total aggregate*
10 *liability on the bond must be limited to the payment of the total amount*
11 *of the bond.*

12 *3. In lieu of a bond required to be filed pursuant to the provisions of*
13 *subsection 1, a person may deposit with the department, pursuant to the*
14 *terms prescribed by the department:*

15 *(a) A like amount of money or bonds of the United States or of the*
16 *State of Nevada of an actual market value of not less than the amount*
17 *fixed by the department; or*

18 *(b) A savings certificate of a bank or savings and loan association*
19 *located in this state, which must indicate an account of an amount equal*
20 *to the amount of the bond that would otherwise be required pursuant to*
21 *this section and that the amount is unavailable for withdrawal except*
22 *upon order of the department. Interest earned on the certificate accrues*
23 *to the account of the applicant.*

24 *4. If a claim is arbitrated pursuant to the provisions of this section,*
25 *the proceedings for arbitration must be conducted in accordance with the*
26 *provisions of NRS 38.015 to 38.205, inclusive.*

27 *5. If a person:*

28 *(a) Submits the statement to the department specifying that he agrees*
29 *to arbitrate a claim pursuant to the provisions of subsection 1; and*

30 *(b) Fails to submit to binding arbitration any claim specified in that*
31 *subsection,*

32 *the person asserting the claim may notify the department of that fact.*
33 *Upon receipt of the notice, the department shall, after notice and*
34 *hearing, revoke or refuse to renew the certificate of registration of the*
35 *person who failed to submit the claim to arbitration.*

36 *6. The department may reinstate or renew a certificate of registration*
37 *that is revoked pursuant to the provisions of subsection 5 if the person*
38 *whose certificate of registration is revoked:*

39 *(a) Submits the claim to arbitration pursuant to the provisions of*
40 *subsection 4 and notifies the department of that fact; or*

41 *(b) Files a bond or makes a deposit with the department pursuant to*
42 *the provisions of this section.*

1 **Sec. 8.** NRS 487.530 is hereby amended to read as follows:
2 487.530 As used in NRS 487.530 to 487.580, inclusive, *and sections 6*
3 *and 7 of this act*, unless the context otherwise requires, the words and
4 terms defined in NRS 487.535 to 487.550, inclusive, have the meanings
5 ascribed to them in those sections.

6 **Sec. 9.** NRS 487.560 is hereby amended to read as follows:
7 487.560 1. On and after January 1, 1998, a garageman shall register
8 with the department for authorization to operate a garage.

9 2. An application for registration must be on a form provided by the
10 department. The application must include:

11 (a) The name of the applicant, including each name under which he
12 intends to do business;

13 (b) The complete street address of each location from which the
14 applicant will be conducting business, including a designation of the
15 location that will be his principal place of business;

16 (c) A copy of the business license for each garage operated by the
17 applicant if the county or city in which the applicant operates a garage
18 requires such a license;

19 (d) The type of repair work offered at each garage operated by the
20 applicant;

21 (e) The number of mechanics employed at each garage operated by the
22 applicant; ~~and~~

23 (f) *The statement required by section 7 of this act; and*

24 (g) Any other information required by the department.

25 3. For each garage operated by an applicant, the department shall
26 charge a fee of \$25 for the issuance or renewal of registration. If an
27 applicant operates more than one garage, he may file one application if he
28 clearly indicates on the application the location of each garage operated by
29 the applicant and each person responsible for the management of each
30 garage.

31 4. Except as otherwise provided in NRS 487.575, all fees collected
32 pursuant to this section must be deposited with the state treasurer to the
33 credit of the account for regulation of salvage pools, automobile wreckers,
34 body shops and garages.

35 5. An applicant for registration or renewal of registration shall notify
36 the department of any material change in the information contained in his
37 application for registration or renewal within 10 days after his knowledge
38 of the change.

39 **Sec. 10.** NRS 487.560 is hereby amended to read as follows:

40 487.560 1. On and after January 1, 1998, a garageman shall register
41 with the department for authorization to operate a garage.

1 2. An application for registration must be on a form provided by the
2 department. The application must include:

3 (a) The name of the applicant, including each name under which he
4 intends to do business;

5 (b) The complete street address of each location from which the
6 applicant will be conducting business, including a designation of the
7 location that will be his principal place of business;

8 (c) A copy of the business license for each garage operated by the
9 applicant if the county or city in which the applicant operates a garage
10 requires such a license;

11 (d) The type of repair work offered at each garage operated by the
12 applicant;

13 (e) The number of mechanics employed at each garage operated by the
14 applicant; ~~and~~

15 (f) *The statement required by section 7 of this act; and*

16 (g) Any other information required by the department.

17 3. For each garage operated by an applicant, the department shall
18 charge a fee of \$25 for the issuance or renewal of registration. If an
19 applicant operates more than one garage, he may file one application if he
20 clearly indicates on the application the location of each garage operated by
21 the applicant and each person responsible for the management of each
22 garage.

23 4. All fees collected pursuant to this section must be deposited with the
24 state treasurer to the credit of the account for regulation of salvage pools,
25 automobile wreckers, body shops and garages.

26 5. An applicant for registration or renewal of registration shall notify
27 the department of any material change in the information contained in his
28 application for registration or renewal within 10 days after his knowledge
29 of the change.

30 **Sec. 11.** NRS 487.565 is hereby amended to read as follows:

31 487.565 1. If the department receives an application for registration
32 that contains the information required by NRS 487.560, it shall issue to the
33 applicant a certificate of registration for each garage operated by the
34 applicant. The certificate must contain the applicant's name, residential
35 address, the name under which his business is to be conducted, the
36 business address, the registration number for the garage and the toll-free
37 telephone number for consumer information and assistance established by
38 the division pursuant to NRS 598.990.

39 2. A certificate of registration is valid for 1 year after the date of
40 issuance. A garageman may renew his registration by submitting to the
41 department:

1 (a) An application for renewal on a form provided by the department;
2 and

3 (b) The fee for renewal set forth in NRS 487.560.

4 *The application must include the statement required by section 7 of this*
5 *act.*

6 **Sec. 12.** NRS 487.570 is hereby amended to read as follows:

7 487.570 A garageman shall ~~+~~

8 ~~1. Display a sign, in a conspicuous place at each garage operated by~~
9 ~~him, that contains the toll-free telephone number for consumer information~~
10 ~~and assistance established by the division pursuant to NRS 598.990; and~~

11 ~~2. Comply~~ **comply** with the provisions of NRS 597.480 to 597.590,
12 inclusive.

13 **Sec. 13.** NRS 487.580 is hereby amended to read as follows:

14 487.580 The advisory board on the repair of motor vehicles shall:

15 1. Meet at the call of the chairman at least two times each year;

16 2. Make recommendations to the department and the legislature for the
17 training and certification of garagemen;

18 3. Study the need for improving the regulation of practices that govern
19 the repair of motor vehicles, including, without limitation, the review of
20 estimates of repair, laws governing deceptive trade practices relating to the
21 repair of motor vehicles and the fees for the licensure of garages;

22 4. Identify and analyze any problems within the industry of motor
23 vehicle repair and make recommendations to the department, the division
24 and the legislature to address the problems through governmental
25 regulation or private industry, or both;

26 5. Provide information to the division concerning the development of a
27 program to provide information to the general public pursuant to the
28 provisions of NRS 598.990;

29 6. Advise the division and the department on methods to investigate
30 consumer complaints relating to the repair of motor vehicles;

31 7. Identify, study and monitor the available sources within each
32 community for mediation and arbitration of ~~{such}~~ **those** complaints and
33 report its findings and recommendations to the division for the
34 establishment of an effective and complete system of mediation and
35 arbitration; and

36 8. Submit to the director of the legislative counsel bureau for
37 transmission to the ~~{70th}~~ **71st** session of the Nevada legislature a report
38 that summarizes the activities of the advisory board and any
39 recommendations made by the advisory board.

1 **Sec. 14.** Section 31 of chapter 390, Statutes of Nevada 1997, at page
2 1377, is hereby amended to read as follows:

3 Sec. 31. 1. This section and sections 1 to 10, inclusive, and 13
4 to 30, inclusive, of this act become effective upon passage and
5 approval.

6 2. Sections 11 and 12 of this act become effective upon passage
7 and approval for the purpose of appointing members to the advisory
8 board on the repair of motor vehicles and on July 1, 1997, for all
9 other purposes, and expire by limitation on July 1, ~~1999.~~ 2001.

10 **Sec. 15.** 1. Unless a garageman is required to renew his registration
11 before January 1, 2000, each garageman who is registered pursuant to the
12 provisions of NRS 487.565 shall, not later than January 1, 2000, submit to
13 the department of motor vehicles and public safety the statement required
14 by section 7 of this act.

15 2. If a garageman specified in subsection 1 fails to submit the
16 statement within the period required by that subsection or indicates in the
17 statement that he does not agree to arbitrate those claims, the garageman
18 shall, not later than February 1, 2000:

19 (a) File with the department of motor vehicles and public safety the
20 bond specified in section 7 of this act; or

21 (b) Deposit with the department the amount of money, bonds or savings
22 certificate specified in that section.

23 **Sec. 16.** 1. This section and sections 14 and 15 of this act become
24 effective upon passage and approval.

25 2. Sections 1 to 9, inclusive, 11, 12 and 13 of this act become effective
26 on October 1, 1999.

27 3. Section 10 of this act becomes effective at 12:01 a.m. on July 1,
28 2001.