

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.

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[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; providing a penalty; 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 ~~PERSON AUTHORIZING REPAIRS TO A MOTOR VEHICLE,~~
9 ~~SUCH PERSON SHALL BE GIVEN A WRITTEN ESTIMATE OF~~
10 ~~TOTAL CHARGES FOR LABOR AND PARTS AND~~
11 ~~ACCESSORIES, AND THAT NO CHARGE MAY BE MADE~~

~~EXCEEDING THE ESTIMATED AMOUNT BY 20 PERCENT OR
\$40, WHICHEVER IS LESS, WITHOUT THE CONSENT OF THE
PERSON AUTHORIZING THE REPAIRS.}~~

STATE OF NEVADA

REGISTERED GARAGE

**THIS GARAGE IS REGISTERED WITH THE
DEPARTMENT OF MOTOR VEHICLES AND PUBLIC SAFETY**

**NEVADA AUTOMOTIVE REPAIR CUSTOMER
BILL OF RIGHTS**

AS A CUSTOMER IN NEVADA:

*YOU have the right to receive repairs from a business that is
REGISTERED with the department of motor vehicles and public
safety that will ensure the proper repair of your vehicle. (NRS
597.490)*

*YOU have the right to receive a WRITTEN ESTIMATE of charges
for repairs made to your vehicle which exceed \$50. (NRS 597.510)*

*YOU have the right to read and understand all documents and
warranties BEFORE YOU SIGN THEM. (NRS 597.490)*

*YOU have the right to INSPECT ALL REPLACED PARTS and
accessories that are covered by a warranty and for which a charge is
made. (NRS 597.550)*

*YOU have the right to request that all replaced parts and accessories
that are not covered by a warranty BE RETURNED TO YOU AT
THE TIME OF SERVICE. (NRS 597.550)*

*YOU have the right to require authorization BEFORE any
additional repairs are made to your vehicle if the charges for those
repairs exceed 20% of the original estimate or \$100, whichever is
less. (NRS 597.520)*

*YOU have the right to receive a COMPLETED STATEMENT OF
CHARGES for repairs made to your vehicle. (NRS 487.035)*

1 *YOU have the right to a **FAIR RESOLUTION** of any dispute that*
2 *develops concerning the repair of your vehicle. (NRS 597.490)*

3
4 *FOR MORE INFORMATION PLEASE CONTACT:*

5
6 *THE DEPARTMENT OF BUSINESS AND INDUSTRY*

7
8 *CONSUMER AFFAIRS DIVISION*

9
10 *IN CLARK COUNTY: (702) 486-7355*

11
12 *ALL OTHER AREAS TOLL-FREE: 1-800-326-5202*

13
14 2. *The sign required pursuant to the provisions of subsection 1 must*
15 *include a replica of the great seal of the State of Nevada. The seal must*
16 *be 2 inches in diameter and be centered on the face of the sign directly*
17 *above the words "STATE OF NEVADA."*

18 3. Any person who violates the provisions of this section is guilty of a
19 misdemeanor.

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

21 597.510 1. ~~{A}~~ *Except as otherwise provided in NRS 597.530, a*
22 *person requesting or authorizing the repair of a motor vehicle ~~{is entitled, at~~*
23 *~~his specific request, to}~~ that is more than \$50 must* be furnished an
24 estimate or statement signed by the person making ~~{such}~~ *the* estimate or
25 statement on behalf of the garageman, indicating the total charge for the
26 performance of the work necessary to accomplish the repair, including the
27 charge for labor and all parts and accessories necessary to ~~{the performance~~
28 ~~of such}~~ *perform the* work.

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

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

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

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

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

37 597.520 ~~{When an estimate has been furnished pursuant to NRS~~
38 ~~597.510, and}~~ *Except as otherwise provided in NRS 597.530, if* it is
39 determined that additional charges ~~{exceeding 20 percent of the estimate, or~~
40 ~~\$40, whichever is less,}~~ are required to perform the repair authorized, *and*
41 *those additional charges exceed, by 20 percent or \$100, whichever is less,*
42 *the amount set forth in the estimate or statement required to be furnished*
43 *pursuant to the provisions of NRS 597.510,* the garageman shall notify the

1 person authorizing the repairs of the amount of ~~{such}~~ *those* additional
2 charges.

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

4 597.530 ~~{1.}~~ The person authorizing the repairs may waive *the*
5 *estimate or statement required pursuant to the provisions of NRS 597.510*
6 *or* the notification required by NRS 597.520 by executing ~~{the waiver~~
7 ~~described in subsections 2, 3 and 4.~~

8 ~~—2.}~~ *a written waiver of that requirement or notification.* The waiver
9 ~~{shall}~~ *must* be executed by the person authorizing the repairs at the time
10 ~~{of authorization of such repairs. It shall include the following statement set~~
11 ~~forth in boldface letters not less than 1/4 inch high:~~

12
13 ~~STATE LAW REQUIRES THAT WHEN A GARAGEMAN HAS~~
14 ~~GIVEN A PERSON AUTHORIZING REPAIRS A WRITTEN~~
15 ~~ESTIMATE SETTING FORTH THE TOTAL COST FOR LABOR~~
16 ~~AND PARTS AND ACCESSORIES TO ACCOMPLISH REPAIRS~~
17 ~~ON A MOTOR VEHICLE, NO CHARGE CAN BE MADE~~
18 ~~EXCEEDING THE ESTIMATED AMOUNT BY 20 PERCENT OR~~
19 ~~\$40, WHICHEVER IS LESS, WITHOUT THE CONSENT OF~~
20 ~~SUCH PERSON. THE PERSON AUTHORIZING THE REPAIRS~~
21 ~~MAY, HOWEVER, WAIVE HIS RIGHT TO SUBSEQUENT~~
22 ~~APPROVAL OF INCREASED CHARGES, SHOULD THEY BE~~
23 ~~FOUND TO BE NECESSARY, BY EXECUTING THIS WAIVER.~~

24
25 ~~—3.— This shall be followed by the certification set forth below, and the~~
26 ~~signature of the person authorizing the repairs:~~

27
28 ~~The undersigned hereby certifies that he has read the preceding~~
29 ~~statement and knowingly and intentionally waives the right to approve~~
30 ~~any increased charges, should they be found necessary to complete the~~
31 ~~required repairs on this motor vehicle.~~

32
33 ~~—4.— The form containing the waiver shall contain:~~

34 ~~—(a) The date.~~

35 ~~—(b) The vehicle make, body type and registration plate number.~~

36 ~~—(c) The work order number assigned by the garageman to the work to be~~
37 ~~performed on the vehicle.~~

38 ~~—(d) The name, address and telephone number (if any) of the person~~
39 ~~authorizing the repairs.}~~ *he authorizes those repairs.*

40 **Sec. 5.** Chapter 487 of NRS is hereby amended by adding thereto the
41 provisions set forth as sections 6, 7 and 8 of this act.

42 **Sec. 6.** *A garageman who knowingly fails to obtain a certificate of*
43 *registration pursuant to the provisions of NRS 487.560 or to renew that*

1 registration pursuant to the provisions of NRS 487.565 or maintain in
2 continuous effect the bond required pursuant to the provisions of section
3 7 of this act may not:

4 1. Enforce a lien for the cost of repairs made by him to a motor
5 vehicle during the period in which he failed to obtain or renew the
6 certificate of registration or maintain the bond in continuous effect; or

7 2. Sue on any contract for those repairs made during that period.

8 **Sec. 7. 1.** Each person who submits an application for registration
9 pursuant to the provisions of NRS 487.560 must include in the
10 application a written statement to the department that specifies whether
11 he agrees to submit to binding arbitration any claims against him arising
12 out of a contract for repairs made by him to a motor vehicle. If the
13 person fails to submit the statement to the department or specifies in the
14 statement that he does not agree to arbitrate those claims, the person
15 shall file with the department a bond in the amount of \$5,000, with a
16 corporate surety for the bond that is licensed to do business in this state.
17 The form of the bond must be approved by the attorney general and be
18 conditioned upon whether the applicant conducts his business as an
19 owner or operator of a garage without fraud or fraudulent representation
20 and in compliance with the provisions of NRS 487.035, 487.530 to
21 487.570, inclusive, and 597.480 to 597.590, inclusive.

22 2. The bond must be continuous in form and the total aggregate
23 liability on the bond must be limited to the payment of the total amount
24 of the bond.

25 3. In lieu of a bond required to be filed pursuant to the provisions of
26 subsection 1, a person may deposit with the department, pursuant to the
27 terms prescribed by the department:

28 (a) A like amount of money or bonds of the United States or of the
29 State of Nevada of an actual market value of not less than the amount
30 fixed by the department; or

31 (b) A savings certificate of a bank or savings and loan association
32 located in this state, which must indicate an account of an amount equal
33 to the amount of the bond that would otherwise be required pursuant to
34 this section and that the amount is unavailable for withdrawal except
35 upon order of the department. Interest earned on the certificate accrues
36 to the account of the applicant.

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

40 5. If a person:

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

1 ***(b) Fails to submit to binding arbitration any claim specified in that***
2 ***subsection,***
3 ***the person asserting the claim may notify the department of that fact.***
4 ***Upon receipt of the notice, the department shall, after notice and***
5 ***hearing, revoke or refuse to renew the certificate of registration of the***
6 ***person who failed to submit the claim to arbitration.***

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

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

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

14 ***Sec. 8. A person who violates any provision of NRS 487.530 to***
15 ***487.570, inclusive, is guilty of a misdemeanor.***

16 ***Sec. 9.*** NRS 487.530 is hereby amended to read as follows:

17 487.530 As used in NRS 487.530 to 487.580, inclusive, ***and sections***
18 ***6, 7 and 8 of this act,*** unless the context otherwise requires, the words and
19 terms defined in NRS 487.535 to 487.550, inclusive, have the meanings
20 ascribed to them in those sections.

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

22 487.560 1. On and after January 1, 1998, a garageman shall register
23 with the department for authorization to operate a garage.

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

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

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

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

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

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

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

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

40 3. For each garage operated by an applicant, the department shall
41 charge a fee of \$25 for the issuance or renewal of registration. If an
42 applicant operates more than one garage, he may file one application if he

1 clearly indicates on the application the location of each garage operated by
2 the applicant and each person responsible for the management of each
3 garage.

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

8 5. An applicant for registration or renewal of registration shall notify
9 the department of any material change in the information contained in his
10 application for registration or renewal within 10 days after his knowledge
11 of the change.

12 **Sec. 11.** NRS 487.560 is hereby amended to read as follows:

13 487.560 1. On and after January 1, 1998, a garageman shall register
14 with the department for authorization to operate a garage.

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

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

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

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

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

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

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

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

31 3. For each garage operated by an applicant, the department shall
32 charge a fee of \$25 for the issuance or renewal of registration. If an
33 applicant operates more than one garage, he may file one application if he
34 clearly indicates on the application the location of each garage operated by
35 the applicant and each person responsible for the management of each
36 garage.

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

40 5. An applicant for registration or renewal of registration shall notify
41 the department of any material change in the information contained in his
42 application for registration or renewal within 10 days after his knowledge
43 of the change.

1 **Sec. 12.** NRS 487.565 is hereby amended to read as follows:

2 487.565 1. If the department receives an application for registration
3 that contains the information required by NRS 487.560, it shall issue to the
4 applicant a certificate of registration for each garage operated by the
5 applicant. The certificate must contain the ~~{applicant's name, residential~~
6 ~~address,}~~ **name of the applicant**, the name under which his business ~~{is to}~~
7 **will** be conducted, the ~~{business address,}~~ **address of his business and** the
8 registration number for the garage . ~~{and the toll free telephone number for~~
9 ~~consumer information and assistance established by the division pursuant to~~
10 ~~NRS 598.990.}~~

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

14 (a) An application for renewal on a form provided by the department;
15 and

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

17 ***The application must include the statement required by section 7 of this***
18 ***act.***

19 **Sec. 13.** NRS 487.570 is hereby amended to read as follows:

20 487.570 A garageman shall ~~;~~
21 ~~—1.—Display a sign, in a conspicuous place at each garage operated by~~
22 ~~him, that contains the toll free telephone number for consumer information~~
23 ~~and assistance established by the division pursuant to NRS 598.990; and~~
24 ~~—2.—Comply}~~ **comply** with the provisions of NRS 597.480 to 597.590,
25 inclusive.

26 **Sec. 14.** NRS 487.580 is hereby amended to read as follows:

27 487.580 The advisory board on the repair of motor vehicles shall:

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

29 2. Make recommendations to the department and the legislature for the
30 training and certification of garagemen;

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

35 4. Identify and analyze any problems within the industry of motor
36 vehicle repair and make recommendations to the department, the division
37 and the legislature to address the problems through governmental
38 regulation or private industry, or both;

39 5. Provide information to the division concerning the development of a
40 program to provide information to the general public pursuant to the
41 provisions of NRS 598.990;

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

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

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

12 **Sec. 15.** Section 31 of chapter 390, Statutes of Nevada 1997, at page
13 1377, is hereby amended to read as follows:

14 **Sec. 31.** 1. This section and sections 1 to 10, inclusive, and 13
15 to 30, inclusive, of this act become effective upon passage and
16 approval.

17 2. Sections 11 and 12 of this act become effective upon passage
18 and approval for the purpose of appointing members to the advisory
19 board on the repair of motor vehicles and on July 1, 1997, for all other
20 purposes, and expire by limitation on July 1, ~~{1999.}~~ *2001.*

21 **Sec. 16.** 1. Unless a garageman is required to renew his registration
22 before January 1, 2000, each garageman who is registered pursuant to the
23 provisions of NRS 487.565 shall, not later than January 1, 2000, submit to
24 the department of motor vehicles and public safety the statement required
25 by section 7 of this act.

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

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

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

34 **Sec. 17.** The amendatory provisions of this act do not apply to
35 offenses committed before October 1, 1999.

36 **Sec. 18.** 1. This section and sections 15 and 16 of this act become
37 effective upon passage and approval.

38 2. Sections 1 to 10, inclusive, 12, 13, 14 and 17 of this act become
39 effective on October 1, 1999.

40 3. Section 11 of this act becomes effective at 12:01 a.m. on July 1,
41 2001.

1 **Sec. 19.** In preparing the reprint and supplements to the Nevada
2 Revised Statutes, the legislative counsel shall ensure that:

3 1. The word “You” at the beginning of each sentence included in the
4 Nevada Automotive Repair Customer Bill of Rights set forth in section 1 of
5 this act is printed in boldface letters; and

6 2. Each word that is underscored in those sentences is printed in
7 boldface, underscored and italicized letters.

~