

ASSEMBLY BILL NO. 677—COMMITTEE ON TRANSPORTATION

MARCH 22, 1999

Referred to Committee on Transportation

SUMMARY—Provides immunity under certain circumstances for short-term lessors of vehicles from penalties that may be imposed by transportation services authority for unlawful use of vehicles leased by short-term lessors. (BDR 58-1599)

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 vehicles; providing immunity under certain circumstances for short-term lessors of vehicles from administrative fines and other penalties that may be imposed by the transportation services authority for vehicles leased by short-term lessors that are operated in passenger service without a certificate of public convenience and necessity; providing for the release of such a vehicle impounded by the transportation services authority to a short-term lessor; 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.** Chapter 706 of NRS is hereby amended by adding thereto a
2 new section to read as follows:
3 ***1. Notwithstanding any provision of NRS 706.011 to 706.791,***
4 ***inclusive, and this section to the contrary, if the registered owner of a***
5 ***vehicle which is impounded pursuant to NRS 706.476 is a short-term***
6 ***lessor licensed pursuant to NRS 482.363 who is engaged in the business***
7 ***of renting or leasing vehicles in accordance with NRS 482.295 to***
8 ***482.3159, inclusive, the registered owner is not liable for any***
9 ***administrative fine or other penalty that may be imposed by the authority***
10 ***for the operation of a passenger vehicle in violation of NRS 706.011 to***
11 ***706.791, inclusive, if:***
12 ***(a) At the time that the vehicle was impounded, the vehicle was in the***
13 ***care, custody or control of a lessee; and***

1 **(b) The registered owner did not know or have reason to know that the**
2 **vehicle would be used in violation of NRS 706.011 to 706.791, inclusive.**

3 **2. A short-term lessor may establish that a vehicle was subject to the**
4 **care, custody or control of a lessee at the time that the vehicle was**
5 **impounded pursuant to NRS 706.476 by submitting to the authority a**
6 **true copy of the lease or rental agreement pursuant to which the vehicle**
7 **was leased or rented to the lessee by the short-term lessor. The**
8 **submission of a true copy of a lease or rental agreement is prima facie**
9 **evidence that the vehicle was in the care, custody or control of the lessee.**

10 **3. Upon the receipt of:**

11 **(a) A true copy of a written lease or rental agreement pursuant to**
12 **subsection 2 which evidences that the vehicle impounded by the authority**
13 **pursuant to NRS 706.476 was under the care, custody or control of a**
14 **lessee and not the registered owner of the vehicle; and**

15 **(b) An affidavit made by the short-term lessor which states that the**
16 **registered owner did not know or have reason to know that the vehicle**
17 **would be operated in violation of NRS 706.011 to 706.791, inclusive,**
18 **the authority shall release the vehicle to the short-term lessor.**

19 **4. As used in this section, "short-term lessor" has the meaning**
20 **ascribed to it in NRS 482.053.**

21 **Sec. 2.** NRS 706.011 is hereby amended to read as follows:

22 706.011 As used in NRS 706.013 to 706.791, inclusive, **and section 1**
23 **of this act**, unless the context otherwise requires, the words and terms
24 defined in NRS 706.013 to 706.146, inclusive, have the meanings ascribed
25 to them in those sections.

26 **Sec. 3.** NRS 706.476 is hereby amended to read as follows:

27 706.476 **Except as otherwise provided in section 1 of this act:**

28 1. A vehicle used as a taxicab, limousine or other passenger vehicle in
29 passenger service must be impounded by the authority if a certificate of
30 public convenience and necessity has not been issued authorizing its
31 operation. A hearing must be held by the authority no later than the
32 conclusion of the second normal business day after impoundment,
33 weekends and holidays excluded. As soon as practicable after
34 impoundment, the authority shall notify the registered owner of the vehicle:

35 (a) That the registered owner of the vehicle must post a bond in the
36 amount of \$20,000 to ensure his presence at all proceedings held pursuant
37 to this section;

38 (b) Of the time set for the hearing; and

39 (c) Of his right to be represented by counsel during all phases of the
40 proceedings.

41 2. The authority shall hold the vehicle until the registered owner of the
42 vehicle appears and:

43 (a) Proves that he is the registered owner of the vehicle;

1 (b) Proves that he holds a valid certificate of public convenience and
2 necessity;

3 (c) Proves that the vehicle meets all required standards of the authority;
4 and

5 (d) Posts a bond in the amount of \$20,000 with the ~~administrator.~~
6 *authority.*

7 The authority shall return the vehicle to its registered owner when the
8 owner meets the requirements of this subsection and pays all costs of
9 impoundment.

10 3. If the registered owner is unable to meet the requirements of
11 paragraph (b) or (c) of subsection 2, the authority may assess an
12 administrative fine against the registered owner for each such violation in
13 the amount of \$5,000. The maximum amount of the administrative fine that
14 may be assessed against a registered owner for a single impoundment of his
15 vehicle pursuant to this section is \$10,000. The authority shall return the
16 vehicle after any administrative fine imposed pursuant to this subsection
17 and all costs of impoundment have been paid.

18 **Sec. 4.** NRS 706.756 is hereby amended to read as follows:

19 706.756 1. Except as otherwise provided in subsection 2, any person
20 who:

21 (a) Operates a vehicle or causes it to be operated in any carriage to
22 which the provisions of NRS 706.011 to 706.861, inclusive, *and section 1*
23 *of this act*, apply without first obtaining a certificate, permit or license, or
24 in violation of the terms thereof;

25 (b) Fails to make any return or report required by the provisions of NRS
26 706.011 to 706.861, inclusive, *and section 1 of this act*, or by the authority
27 or the department pursuant to the provisions of NRS 706.011 to 706.861,
28 inclusive ~~§~~, *and section 1 of this act*;

29 (c) Violates, or procures, aids or abets the violating of, any provision of
30 NRS 706.011 to 706.861, inclusive ~~§~~, *and section 1 of this act*;

31 (d) Fails to obey any order, decision or regulation of the authority or the
32 department;

33 (e) Procures, aids or abets any person in his failure to obey such an
34 order, decision or regulation of the authority or the department;

35 (f) Advertises, solicits, proffers bids or otherwise holds himself out to
36 perform transportation as a common or contract carrier in violation of any
37 of the provisions of NRS 706.011 to 706.861, inclusive ~~§~~, *and section 1*
38 *of this act*;

39 (g) Advertises as providing:

40 (1) The services of a fully regulated carrier; or

41 (2) Towing services,

42 without including the number of his certificate of public convenience and

43 necessity or contract carrier's permit in each advertisement;

1 (h) Knowingly offers, gives, solicits or accepts any rebate, concession or
2 discrimination in violation of the provisions of this chapter;

3 (i) Knowingly, willfully and fraudulently seeks to evade or defeat the
4 purposes of this chapter;

5 (j) Operates or causes to be operated a vehicle which does not have the
6 proper identifying device;

7 (k) Displays or causes or permits to be displayed a certificate, permit,
8 license or identifying device, knowing it to be fictitious or to have been
9 canceled, revoked, suspended or altered;

10 (l) Lends or knowingly permits the use of by one not entitled thereto any
11 certificate, permit, license or identifying device issued to the person so
12 lending or permitting the use thereof; or

13 (m) Refuses or fails to surrender to the authority or department any
14 certificate, permit, license or identifying device which has been suspended,
15 canceled or revoked pursuant to the provisions of this chapter,
16 is guilty of a misdemeanor, and upon conviction thereof shall be punished
17 by a fine of not less than \$100 nor more than \$1,000, or by imprisonment in
18 the county jail for not more than 6 months, or by both fine and
19 imprisonment.

20 2. A person convicted of a misdemeanor for a violation of the
21 provisions of NRS 706.386 or 706.421 shall be punished:

22 (a) For the first offense by a fine of not less than \$500 nor more than
23 \$1,000;

24 (b) For a second offense within 12 consecutive months and each
25 subsequent offense by a fine of \$1,000; or

26 (c) For any offense, by imprisonment in the county jail for not more than
27 6 months, or by both the prescribed fine and imprisonment.

28 3. Any person who operates or permits the operation of a vehicle in
29 passenger service without a certificate of public convenience and necessity
30 issued pursuant to NRS 706.391 is guilty of a gross misdemeanor. If a law
31 enforcement officer witnesses a violation of this subsection, he may cause
32 the vehicle to be towed immediately from the scene.

33 4. The fines provided in this section are mandatory and must not be
34 reduced under any circumstances by the court.

35 5. Any bail allowed must not be less than the appropriate fine provided
36 for by this section.