

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 at the time that the vehicle was impounded, the*
12 *vehicle was in the care, custody or control of a lessee.*
13 2. *A short-term lessor may establish that a vehicle was subject to the*
14 *care, custody or control of a lessee at the time that the vehicle was*

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

6 *3. Upon the receipt of a true copy of a written lease or rental*
7 *agreement pursuant to subsection 2 which evidences that the vehicle*
8 *impounded by the authority pursuant to NRS 706.476 was under the*
9 *care, custody or control of a lessee and not the registered owner of the*
10 *vehicle, the authority shall release the vehicle to the short-term lessor.*

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

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

14 706.011 As used in NRS 706.013 to 706.791, inclusive, *and section 1*
15 *of this act*, unless the context otherwise requires, the words and terms
16 defined in NRS 706.013 to 706.146, inclusive, have the meanings ascribed
17 to them in those sections.

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

19 706.476 *Except as otherwise provided in section 1 of this act:*

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

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

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

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

33 2. The authority shall hold the vehicle until the registered owner of the
34 vehicle appears and:

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

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

38 (c) Proves that the vehicle meets all required standards of the authority;
39 and

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

1 The authority shall return the vehicle to its registered owner when the
2 owner meets the requirements of this subsection and pays all costs of
3 impoundment.

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

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

13 706.756 1. Except as otherwise provided in subsection 2, any person
14 who:

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

19 (b) Fails to make any return or report required by the provisions of NRS
20 706.011 to 706.861, inclusive, *and section 1 of this act*, or by the authority
21 or the department pursuant to the provisions of NRS 706.011 to 706.861,
22 inclusive ~~§~~, *and section 1 of this act*;

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

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

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

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

33 (g) Advertises as providing:

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

35 (2) Towing services,

36 without including the number of his certificate of public convenience and
37 necessity or contract carrier's permit in each advertisement;

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

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

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

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

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

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

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

16 (a) For the first offense by a fine of not less than \$500 nor more than
17 \$1,000;

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

20 (c) For any offense, by imprisonment in the county jail for not more than
21 6 months, or by both the prescribed fine and imprisonment.

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

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

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