

ASSEMBLY BILL NO. 207—ASSEMBLYMEN BUCKLEY, ARBERRY, DINI, ANDERSON, GIBBONS, ANGLE, BACHE, BEERS, BERMAN, BROWER, BROWN, CARPENTER, CEGAVSKE, CHOWNING, CLABORN, COLLINS, DE BRAGA, FREEMAN, GIUNCHIGLIANI, GOLDWATER, HETTRICK, HUMKE, KOIVISTO, LEE, LESLIE, MANENDO, MARVEL, MCCLAIN, MORTENSON, NEIGHBORS, NOLAN, OCEGUERA, PARKS, PARNELL, PERKINS, PRICE, SMITH, TIFFANY, VON TOBEL AND WILLIAMS

FEBRUARY 20, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Imposes certain restrictions and requirements upon transfer and titling of, and requires certain notices and disclosures regarding, motor vehicles that have sustained certain damages. (BDR 43-441)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

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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 motor vehicles; imposing certain restrictions and requirements upon the transfer and titling of vehicles that have sustained certain damages; requiring certain notices and disclosures regarding such vehicles; imposing civil liability and providing penalties for certain violations relating thereto; 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 482 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 18, inclusive, of this act.
3 **Sec. 2.** *As used in sections 2 to 18, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 3 to*
5 *14, inclusive, of this act have the meanings ascribed to them in those*
6 *sections.*
7 **Sec. 3.** *“Actual cost” means the price paid at retail for the repairs*
8 *needed to return a motor vehicle to an undamaged condition.*
9 **Sec. 4.** *“Cosmetic damage” means damage to paint, glass, trim, tires*
10 *or any other component of a motor vehicle that does not affect the ability*
11 *of the motor vehicle to function.*



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- 1 **Sec. 5.** *“Cost of repair” means the estimated or actual cost of repair,*
2 *whichever is greater.*
- 3 **Sec. 6.** *“Flood damage” means damage to a motor vehicle caused by*
4 *the submersion of the vehicle in water to such an extent that the water*
5 *reaches over the engine or door sill or enters the passenger or trunk*
6 *compartments of the vehicle.*
- 7 **Sec. 7.** *“Flood vehicle” means a motor vehicle that at any time has:*
8 1. *Sustained flood damage; or*
9 2. *Had “flood” or a similar word or designation placed on any title*
10 *issued for the vehicle.*
- 11 **Sec. 8.** *“Major damage” means damage of any kind, sustained in a*
12 *single incident, for which the aggregate cost of repair is at least 20*
13 *percent of the lesser of the manufacturer’s suggested retail price of the*
14 *vehicle or the fair market value of the vehicle, unless that cost is*
15 *attributable solely to cosmetic damage.*
- 16 **Sec. 9.** *“Motor vehicle” means a motor vehicle other than a vehicle*
17 *described in NRS 482.210.*
- 18 **Sec. 10.** *“Nonrepairable vehicle” means a motor vehicle that at any*
19 *time has:*
20 1. *Sustained major damage, in a single incident, for which the cost*
21 *of repair exceeds 90 percent of the fair retail market value of the vehicle*
22 *immediately before the incident;*
23 2. *Been designated as nonrepairable by its owner; or*
24 3. *Had “nonrepairable” or a similar word or designation placed on*
25 *any title issued for the vehicle.*
- 26 **Sec. 11.** *“Renovated vehicle” means a salvage vehicle or flood*
27 *vehicle that has been certified as being fit for operation upon a highway*
28 *by the department or any other jurisdiction that has issued a title for the*
29 *vehicle.*
- 30 **Sec. 12.** *“Salvage vehicle” means a motor vehicle that at any time*
31 *has been declared a total loss vehicle or had “salvage” or a similar word*
32 *or designation placed on any title issued for the vehicle.*
- 33 **Sec. 13.** *“Title” means a certificate of ownership or any other*
34 *document issued by any state or country indicating the ownership of a*
35 *motor vehicle.*
- 36 **Sec. 14.** *“Total loss vehicle” has the meaning ascribed to it in NRS*
37 *487.045.*
- 38 **Sec. 15.** 1. *Any person who transfers an interest in a motor vehicle*
39 *in this state shall, before the transfer, disclose in writing to the transferee*
40 *any information that the transferor knows or should have known*
41 *concerning whether the vehicle is a flood vehicle as defined in section 7*
42 *of this act, a nonrepairable vehicle as defined in section 10 of this act, a*
43 *renovated vehicle as defined in section 11 of this act or a salvage vehicle*
44 *as defined in section 12 of this act, or has sustained major damage as*
45 *defined in section 8 of this act.*
46 2. *If the transferor is subject to the provisions of NRS 482.423,*
47 *482.4235, 482.424 or 482.4245, the transferor shall:*
48 (a) *Make the disclosure required by subsection 1 before finalizing a*
49 *contract of sale or a long-term lease;*



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1 (b) Provide a copy of the disclosure to the transferee; and
2 (c) Retain the written disclosure in his records for the period specified
3 in NRS 482.3263.

4 3. It is unlawful for a person to knowingly and willfully fail to make
5 a disclosure required by this section with the intent to defraud. A person
6 who violates this subsection shall be punished in accordance with the
7 provisions of NRS 205.380.

8 **Sec. 16.** 1. At the time application is made for the issuance of the
9 title of a motor vehicle, the applicant shall submit to the department any
10 disclosure made pursuant to section 15 of this act concerning the vehicle.
11 Upon submittal, the disclosure becomes a part of the title history of the
12 vehicle and must be carried forward on all succeeding titles issued for
13 the vehicle.

14 2. The department shall adopt regulations setting forth a method by
15 which the titles of motor vehicles must contain information concerning
16 such disclosures and any other information the department determines to
17 be necessary.

18 **Sec. 17.** 1. A person who, with the intent to defraud, violates any
19 provision of section 15 or 16 of this act is liable to any person harmed by
20 that violation in an amount equal to the sum of:

21 (a) Three times the amount of actual damages sustained by the person
22 harmed or \$5,000, whichever is greater; and

23 (b) If an action brought by the person harmed is successful in
24 enforcing the liability imposed by paragraph (a), the costs of bringing the
25 action and reasonable attorney's fees as determined by the court.

26 2. The remedy set forth in subsection 1 is independent of and
27 supplemental to, and does not limit or preclude the application of, any
28 other legal or equitable remedy.

29 **Sec. 18.** 1. an insurance company settles a claim for damages
30 regarding a motor vehicle that is a salvage vehicle, flood vehicle or
31 nonrepairable vehicle or has sustained major damage, and the vehicle is
32 not transferred to the insurance company in connection with the
33 settlement, the insurance company shall, at or before the time of the
34 settlement, provide the owner of the vehicle with written notice of the
35 responsibility of the owner to comply with the provisions of section 15 of
36 this act and a blank disclosure form which is sufficient for that purpose.

37 2. If the vehicle is a nonrepairable vehicle, the insurance company
38 shall, in addition to providing the notice required by subsection 1, notify
39 the department and, if the vehicle is registered in another state, the state
40 agency responsible for issuing titles in that state, that the vehicle is a
41 nonrepairable vehicle.

42 **Sec. 19.** NRS 482.245 is hereby amended to read as follows:

43 482.245 1. The certificate of registration must contain upon the face
44 thereof the date issued, the registration number assigned to the vehicle, the
45 legal name and address of the registered owner, the county where the
46 vehicle is to be based unless it is deemed to have no base, a description of
47 the registered vehicle and such other statement of facts as may be
48 determined by the department.



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1 2. The certificate of ownership must contain upon the face thereof the
2 date issued, the name and address of the registered owner and the owner or
3 lienholder, if any, a description of the vehicle, any entries required by NRS
4 482.423 to 482.428, inclusive, *any disclosures required by section 15 of*
5 *this act*, a reading of the vehicle's odometer as provided to the department
6 by the person making the sale or transfer, the word "rebuilt" if it is a rebuilt
7 vehicle, and such other statement of facts as may be determined by the
8 department. The reverse side of the certificate of ownership must contain
9 forms for notice to the department of a transfer of the title or interest of the
10 owner or lienholder and application for registration by the transferee. If a
11 new certificate of ownership is issued for a vehicle, it must contain the
12 same information as the replaced certificate, except to the extent that the
13 information has changed after the issuance of the replaced certificate.
14 Except as otherwise required by federal law, the certificate of ownership of
15 a vehicle which the department knows to have been stolen must not contain
16 any statement or other indication that the mileage specified in the
17 certificate or registered on the odometer is anything other than the actual
18 mileage traveled by the vehicle, in the absence of proof that the odometer
19 of the vehicle has been disconnected, reset or altered.

20 **Sec. 20.** NRS 482.470 is hereby amended to read as follows:

21 482.470 1. If any vehicle is dismantled, junked or rendered
22 inoperative and unfit for further use in accordance with the original
23 purpose for which it was constructed, the owner shall deliver to the
24 department ~~any~~ :

25 (a) *Any* certificate of registration and certificate of ownership issued by
26 the department or any other jurisdiction, unless the certificate of ownership
27 is required for the collection of any insurance or other indemnity for the
28 loss of the vehicle, or for transfer in order to dispose of the vehicle ~~H~~ ; and

29 (b) *If the vehicle is a motor vehicle other than a vehicle described in*
30 *NRS 482.210, written notification of whether the vehicle is a salvage*
31 *vehicle as defined in section 12 of this act, a flood vehicle as defined in*
32 *section 7 of this act or a nonrepairable vehicle as defined in section 10 of*
33 *this act, or has sustained major damage as defined in section 8 of this*
34 *act.*

35 2. Any other person taking possession of a vehicle described in
36 subsection 1 shall immediately deliver to the department ~~any~~ :

37 (a) *Any* license plate or plates, certificate of registration or certificate of
38 ownership issued by the department or any other jurisdiction, if he has
39 acquired possession of any of these and unless the certificate of ownership
40 is required for a further transfer in the ultimate disposition of the vehicle ~~H~~
41 ; and

42 (b) *If the vehicle is a motor vehicle other than a vehicle described in*
43 *NRS 482.210, written notification of whether the vehicle is a salvage*
44 *vehicle as defined in section 12 of this act, a flood vehicle as defined in*
45 *section 7 of this act or a nonrepairable vehicle as defined in section 10 of*
46 *this act, or has sustained major damage as defined in section 8 of this*
47 *act.*



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1 3. The department may issue a salvage title as provided in chapter 487
2 of NRS. The department shall not charge a fee for the issuance of the
3 salvage title.

4 4. The department shall destroy any plate or plates, certificate of
5 registration or certificate of ownership that is returned in a manner
6 described in subsections 1 and 2. The department shall not issue a
7 certificate of registration or certificate of ownership for a vehicle with the
8 same identification number as the dismantled, junked or inoperative
9 vehicle if the vehicle was manufactured in the 5 years preceding the date
10 on which it was dismantled, junked or otherwise rendered inoperative,
11 unless the department authorizes the restoration of the vehicle pursuant to
12 subsection 2 of NRS 482.553.

13 **Sec. 21.** NRS 482.555 is hereby amended to read as follows:

14 482.555 In addition to any other penalty provided by this chapter:

15 1. It is a gross misdemeanor for any person knowingly to falsify:

16 (a) A dealer's or rebuilder's report of sale, as described in NRS 482.423
17 and 482.424; ~~or~~

18 (b) *A disclosure required by section 15 of this act; or*

19 (c) An application or *any other* document to obtain any:

20 (1) License;

21 (2) Permit; or

22 (3) Certificate of ownership,
23 issued under the provisions of this chapter.

24 2. It is a misdemeanor for any person to violate any of the provisions
25 of this chapter unless such violation is by this section or *any* other
26 provision of this chapter or other law of this state declared to be a gross
27 misdemeanor or a felony.

28 **Sec. 22.** NRS 487.100 is hereby amended to read as follows:

29 487.100 1. Except as otherwise provided in subsection 2, any
30 automobile wrecker purchasing from any person other than a licensed
31 operator of a salvage pool, any vehicle subject to registration pursuant to
32 the laws of this state shall forward to the department the certificates of
33 ownership and registration last issued therefor ~~to~~ *, together with a*
34 *completed disclosure form, if required pursuant to section 15 of this act,*
35 *for each transfer of title denoted on the certificate of ownership.*

36 2. The certificate of ownership last issued for a mobile home or
37 commercial coach must be sent by the wrecker to the manufactured
38 housing division ~~to~~ *of the department of business and industry.*

39 3. The state agency may issue to the licensee a salvage title containing
40 a brief description of the vehicle, including, insofar as data may exist with
41 respect to the vehicle, the make, type, serial number and motor number, or
42 any other number of the vehicle. The state agency shall not charge a fee for
43 the issuance of the salvage title.

44 **Sec. 23.** NRS 487.110 is hereby amended to read as follows:

45 487.110 1. Except as otherwise provided in subsection 2, whenever a
46 vehicle subject to registration is sold as salvage:

47 (a) As a result of a total loss insurance settlement, the insurance
48 company or its authorized agent shall forward the endorsed ownership
49 certificate or other evidence of title to the state agency *, together with a*



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1 *completed disclosure form, if required pursuant to section 15 of this act,*
2 *for that sale and any other transfer of title denoted on the certificate or*
3 *other evidence of title, within 30 days after receipt thereof; or*

4 (b) Because the owner determines that the vehicle is a total loss vehicle,
5 the owner shall forward the ownership certificate or other evidence of title
6 to the state agency, *together with a completed disclosure form, if required*
7 *pursuant to section 15 of this act, for that sale and any other transfer of*
8 *title denoted on the certificate or other evidence of title, within 120 days*
9 *after the vehicle is damaged.*

10 2. The insurance company or its authorized agent may sell a vehicle
11 for which a total loss settlement has been made with the properly endorsed
12 ownership certificate or other evidence of title if the total loss settlement
13 resulted from the theft of the vehicle and the vehicle, when recovered, was
14 not damaged to the extent that it was required to be rebuilt. An owner who
15 has determined that a vehicle is a total loss vehicle may sell the vehicle
16 with the properly endorsed ownership certificate or other evidence of title
17 to a salvage pool, automobile auction, rebuilder, automobile wrecker, or a
18 new or used motor vehicle dealer.

19 3. Upon the sale of the salvage vehicle, the insurance company,
20 salvage pool, automobile auction, leasing company or financial institution
21 which sells the salvage vehicle shall issue a bill of sale of salvage to the
22 purchaser on a form to be prescribed and supplied by the state agency. The
23 state agency shall accept the bill of sale of salvage in lieu of the ownership
24 certificate or other evidence of title when accompanied by an appropriate
25 application ~~for~~ *and any* other *required* documents and fees.

26 4. ~~When~~ *If* the salvage vehicle is rebuilt and to be restored to
27 operation, the vehicle may not be licensed for operation or the ownership
28 thereof transferred until there is submitted to the state agency with the
29 prescribed bill of sale of salvage an appropriate application, *any* other
30 documents and fees required, and a certificate of inspection signed by an
31 employee of the state agency attesting to its mechanical fitness and safety.

32 5. When a total loss insurance settlement between the insurance
33 company and its insured results in the retention of the salvage vehicle by
34 the insured, the insurance company or its authorized agent shall, within 30
35 days after the date of settlement, notify the state agency of the retention by
36 its insured upon a form to be supplied by the state agency.

37 **Sec. 24.** NRS 487.120 is hereby amended to read as follows:

38 487.120 1. If the applicant for a salvage title is unable to furnish the
39 certificates of ownership and registration last issued for the vehicle, ~~for~~ a
40 bill of sale of salvage ~~or~~ *or a completed disclosure form, if required*
41 *pursuant to section 15 of this act, for each transfer of title denoted on the*
42 *certificate of ownership or bill of sale of salvage,* the state agency may
43 accept the application, examine the circumstances of the case and require
44 the filing of suitable affidavits or other information or documents. If
45 satisfied that the applicant is entitled to a salvage title, the state agency may
46 issue the salvage title.

47 2. No duplicate certificate of ownership or registration may be issued
48 when a salvage title is applied for, and no fees are required for the



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1 affidavits of any stolen, lost or damaged certificate, or duplicates thereof,
2 unless the vehicle is subsequently registered.

3 **Sec. 25.** NRS 487.480 is hereby amended to read as follows:

4 487.480 1. Before an operator of a salvage pool sells any vehicle
5 subject to registration pursuant to the laws of this state, he must have in his
6 possession the certificate of ownership or a bill of sale of salvage for that
7 vehicle. He shall, within 10 days after completion of the transaction,
8 forward the certificate of ownership or bill of sale of salvage , *together*
9 *with a completed disclosure form, if required pursuant to section 15 of*
10 *this act, for each transfer of title denoted on the certificate or bill,* to the
11 department. The department shall not issue a certificate of registration or
12 certificate of ownership for a vehicle with the same identification number
13 if the vehicle was manufactured in the 5 years preceding the date on which
14 the operator forwards the certificates to the department, unless the
15 department authorizes the restoration of the vehicle pursuant to subsection
16 2 of NRS 482.553.

17 2. Upon sale of the vehicle, the operator of the salvage pool shall
18 provide a bill of sale of salvage to the licensed automobile wrecker, dealer
19 of new or used motor vehicles or rebuilder on a form prescribed and
20 supplied by the department. The department shall accept the bill of sale of
21 salvage in lieu of the certificate of ownership or other evidence of title
22 from the:

23 (a) Automobile wrecker, if the bill of sale of salvage is accompanied by
24 an appropriate application for a salvage title ~~†~~ *and any other required*
25 *documents;* or

26 (b) Dealer of new or used motor vehicles or rebuilder when he licenses
27 the vehicle for operation or transfers ownership of it, if the bill of sale of
28 salvage is accompanied by an appropriate application, all other required
29 documents and fees, and a certificate of inspection signed by an employee
30 of the department attesting to the mechanical fitness and safety of the
31 vehicle.

32 3. The department may issue to:

33 (a) The licensed automobile wrecker;

34 (b) A licensed operator of a salvage pool;

35 (c) A dealer of new or used motor vehicles who is licensed in another
36 state or foreign country and is registered with a salvage pool; or

37 (d) An automobile wrecker or dismantler who is licensed in another
38 state or foreign country and is registered with a salvage pool,

39 a salvage title that contains a brief description of the vehicle, including,
40 insofar as data may exist with respect to the vehicle, the make, type, serial
41 number and motor number, or any other number of the vehicle. Except as
42 otherwise provided in this subsection, the department shall charge and
43 collect a fee of \$10 for the issuance of a salvage title pursuant to this
44 subsection. The department shall not charge such a fee for the issuance of a
45 salvage title to an automobile wrecker licensed in this state. Fees collected
46 by the department pursuant to this subsection must be deposited with the
47 state treasurer to the credit of the account for regulation of salvage pools,
48 automobile wreckers, body shops and garages. Possession of a salvage title
49 does not entitle a person to dismantle, scrap, process or wreck any vehicle



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1 in this state unless the person holds a license issued pursuant to NRS
2 487.050.

3 **Sec. 26.** The amendatory provisions of this act do not apply to
4 offenses committed before October 1, 2001.

5 **Sec. 27.** This act becomes effective upon passage and approval for the
6 purpose of adopting regulations by the department of motor vehicles and
7 public safety to carry out the provisions of this act and for all other
8 purposes on October 1, 2001.

