

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

PROPOSED AMENDMENT TO ASSEMBLY BILL 417

*Establishes procedures for claims against bonds and deposits of certain persons
licensed by Department of Motor Vehicles. (BDR 43-1077)*

PRESENTED TO

THE ASSEMBLY COMMITTEE ON TRANSPORTATION

BY

ASSEMBLYMAN KELVIN D. ATKINSON

APRIL 2, 2003

1. Delete subsection 2 of Section 1, page 1, in its entirety:
2. Add five new subsections to Section 1, commencing on page 1, to read as follows:

Sec. 1. 2. Any person claiming against the bond or deposit may bring an action in a court of competent jurisdiction on the bond or against the Director on the deposit for the amount of the damages he has suffered to the extent covered by the bond or deposit. No action may be commenced on the bond or deposit 2 years after the end of the year in which the bond was given or deposit made. If an action is commenced on the bond, the surety that executed the bond shall notify the Director of the action within 30 days after the date that the surety is served with a complaint or summons.

3. Upon receiving a request from a person for whose benefit a bond or deposit is required, the Director shall notify him that:

(a) A bond is in effect or that a deposit has been made, and the amount of either;

(b) There is an action against a bond, if that is the case, and the court, the title and number of the action and the amount sought by the plaintiff; and

(c) There is an action against the Director on a deposit, if that is the case, and the amount sought by the plaintiff.

4. If a surety, or in the case of a deposit, the Director, desires to make payment without awaiting court action, the amount of the bond or deposit must be reduced to the extent of any payment made by the surety or the Director in good faith under the bond or deposit. Any payment must be based on written claims received by the surety or Director before the court action.

5. The surety or the Director may bring an action for interpleader against all claimants upon the bond or deposit. If an action for interpleader is commenced, the surety or the Director must serve each known claimant and public notice of the action at least once each week for 2 weeks in a newspaper of general circulation in the county where the dealer, distributor, manufacturer, rebuilder, representative or salesman has his principal place of business. The surety is entitled to deduct its costs of the action, including publication, from its liability under the bond. The Director is entitled to deduct its costs of the action, including attorney's fees and publication, from the deposit.

6. Claims, other than claims filed by consumers, shall not be paid from the bond or deposit until the expiration of 2 years after the end of the year in which the bond was given or deposit made.

ASSEMBLY TRANSPORTATION

DATE: 4-3-03 ROOM: 3143 EXHIBIT I

SUBMITTED BY: Assemblyman Kelvin Atkinson