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ASSEMBLY BILL NO. 249—ASSEMBLYWOMAN BUCKLEY

MARCH 21, 2005

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Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to vehicles.  
(BDR 43-136)

FISCAL NOTE: Effect on Local Government: Increases or Newly  
Provides for Term of Imprisonment in County or City  
Jail or Detention Facility.  
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.

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AN ACT relating to vehicles; authorizing the Director of the Department of Motor Vehicles to expend money appropriated by the Legislature to assist in the acquisition of certain evidence; authorizing the Department to impose an administrative fine against a person who engages in certain deceptive trade practices relating to the purchase or sale of a vehicle; authorizing a person who is injured by a bonded dealer, distributor, rebuilder, manufacturer, representative or salesman to bring an action or to apply to the Director for compensation from the bond; providing that a rebuilt vehicle may not be registered unless it is inspected and certified by a garageman or the owner of a body shop; prohibiting a person from removing certain markings on a certificate of title for a rebuilt vehicle; revising the circumstances under which a lien claimant may sell or auction a vehicle upon which he holds a lien; revising the duties of a manufacturer or its agent or authorized dealer concerning the sale, lease or transfer of ownership of a vehicle that fails to conform to certain express warranties; providing penalties; and providing other matters properly relating thereto.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 481 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Director may expend money that the Legislature appropriates to assist local law enforcement agencies or the Division of Compliance Enforcement of the Department in the purchase of evidence and in employing persons other than peace officers to obtain that evidence.*

*2. Upon receiving a written request from the Director for money appropriated for a purpose specified in subsection 1, the State Controller shall draw his warrant, payable to the Director, in an amount which does not exceed any limit set by the Legislature in the appropriation.*

*3. The Director may keep money which he has drawn pursuant to this section in accounts in one or more banks or credit unions or in cash.*

**Sec. 2.** Chapter 482 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 12, inclusive, of this act.

*Sec. 3. "Assembly" means a combination of parts assembled together in such a way as to create a complete part.*

*Sec. 4. "Complete front inner structure for a unibody" means the weld-on structure of a vehicle, including, without limitation, the radiator support, left and right aprons, upper and lower rails and strut towers, designed and intended to be located forward of the cowl assembly.*

*Sec. 5. "Conventional frame" means the main longitudinal structural members of the chassis of a vehicle used as the major support in the construction of the vehicle.*

*Sec. 6. "Cowl assembly" means the forward structural portion of a vehicle to which are intended to be attached all or a part of the windshield frame, fire wall, housing of the instrument panel and hinges for the front doors.*

*Sec. 7. "Floor pan assembly" means the pans designed and intended to form the floor of the passenger compartment of a vehicle.*

*Sec. 8. "Passenger compartment" means the area of a vehicle designed and intended for the seating of the driver and passengers.*

*Sec. 9. "Rear clip assembly" means the entire rear structural portion of a vehicle designed and intended to be located behind the rear seat of the vehicle.*



1     **Sec. 10.** *“Roof assembly” means the structural parts of a*  
2 *vehicle, including, without limitation, more than one-half of the*  
3 *vertical roof supports, the framework of the roof and the exterior*  
4 *metal skin, that together are designed and intended to be located*  
5 *over the passenger compartment to form the roof of the vehicle.*

6     **Sec. 11.** *“Truck cab assembly” means a removable portion of*  
7 *a truck that uses a conventional frame assembly consisting of a*  
8 *cab that may be bolted and unbolted which includes a floor*  
9 *assembly, cowl assembly, roof assembly and rear panel and may*  
10 *also include front, side or rear glass and front or rear left or right*  
11 *doors.*

12     **Sec. 12. 1.** *The Department may impose an administrative*  
13 *fine of not less than \$2,500 and not more than \$25,000, against*  
14 *any person who engages in a deceptive trade practice. The*  
15 *Department shall afford to any person so fined an opportunity for*  
16 *a hearing pursuant to the provisions of NRS 233B.121.*

17     **2.** *For the purposes of this section, a person shall be deemed*  
18 *to be engaged in a “deceptive trade practice” if, in the course of*  
19 *his business or occupation, he:*

20     **(a)** *Enters into a contract for the sale of a vehicle on credit*  
21 *with a customer, exercises a valid option to cancel the vehicle sale*  
22 *and then:*

23         **(1)** *Fails to return any down payment in full or to return a*  
24 *vehicle taken in trade; or*

25         **(2)** *Persuades, or attempts to persuade, by coercion, duress*  
26 *or intimidation, the customer to sign another contract on less*  
27 *favorable terms.*

28     **(b)** *Fails to return all consideration given by the customer*  
29 *after a valid option to cancel the sale of the vehicle has been*  
30 *exercised, including, without limitation, fails to return any down*  
31 *payment in full and fails to return a vehicle taken in trade.*

32     **(c)** *Charges, or represents that he may charge, any type of fee*  
33 *or expense if a valid option to cancel the sale of the vehicle is*  
34 *exercised.*

35     **(d)** *Threatens a customer with any type of adverse action if the*  
36 *customer refuses to sign another contract that has less favorable*  
37 *terms or to purchase another vehicle, after a valid option to cancel*  
38 *the sale of the vehicle is exercised.*

39     **(e)** *Uses coercive tactics, duress by any form of verbal or*  
40 *written communication, or a hostile setting or an atmosphere of*  
41 *intimidation to persuade, or attempt to persuade, a customer to*  
42 *sign another contract on less favorable terms or to purchase*  
43 *another vehicle, after a valid option to cancel the sale of a vehicle*  
44 *is exercised.*



(f) *Enters into an initial contract with a customer to purchase a vehicle when, based on objective facts, the dealer knew that the customer could not qualify for financing for the vehicle on the terms stated in the contract for the sale of the vehicle.*

(g) *Uses a contract for the sale of the vehicle or a security agreement that materially differs from the form prescribed by law.*

(h) *Violates any provision of the contract for the sale of the vehicle.*

(i) *Engages in any deceptive trade practice, as defined in NRS 598.0915 to 598.0925, inclusive, that involves the purchase and sale of a motor vehicle.*

(j) *Engages in any other acts prescribed by the Department by regulation as a deceptive trade practice.*

3. *All administrative fines collected by the Department pursuant to this section must be deposited with the State Treasurer to the credit of the State Highway Fund.*

4. *The administrative remedy provided in this section is not exclusive and is intended to supplement existing law. The provisions of this section do not deprive a person injured by a deceptive trade practice from resorting to any other legal remedy.*

**Sec. 13.** NRS 482.010 is hereby amended to read as follows:

482.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 482.011 to 482.137, inclusive, *and sections 3 to 11, inclusive, of this act*, have the meanings ascribed to them in those sections.

**Sec. 14.** NRS 482.098 is hereby amended to read as follows:

482.098 1. "Rebuilt vehicle" means a vehicle:

~~(1)~~ (a) That is a salvage vehicle as that term is defined in NRS 487.770, excluding a nonrepairable vehicle; or

~~(2)~~ (b) One or more major components of which have been replaced as set forth in this subsection. For the purposes of this subsection, the requisite major components of a vehicle which must be replaced for a vehicle to be considered rebuilt are the:

~~(a)~~ (1) Cowl assembly;

~~(b)~~ (2) Rear clip assembly;

~~(c)~~ (3) Roof assembly;

~~(d)~~ (4) Floor pan assembly;

~~(e)~~ (5) Conventional frame coupled with one additional major component; or

~~(f)~~ (6) Complete front inner structure for a unibody.

2. *The term does not include a vehicle for which the only change is the installation of a truck cab assembly.*

3. *For the purposes of this section, "replaced" means the substitution, or change in whole, of a new, used or after-market part of a vehicle.*



**Sec. 15.** NRS 482.220 is hereby amended to read as follows:

482.220 1. If the vehicle to be registered ~~[shall be]~~ *is* a specially constructed, reconstructed, *rebuilt* or foreign vehicle, ~~[such fact shall]~~ *that fact must* be stated in the application. ~~[; and with reference to every]~~ *If the vehicle is a* foreign vehicle which has been registered theretofore outside of this State, the owner shall exhibit to the Department the certificate of title and registration card or other evidence of such former registration as may be in the applicant's possession or control or such other evidence as will satisfy the Department that the applicant is the lawful owner or possessor of the vehicle.

2. ~~[Such application shall]~~ *The application must* be accompanied by a motor vehicle inspection certificate signed by a representative of the Department or, as one of the Department's authorized agents, by:

- (a) A peace officer;
- (b) A dealer;
- (c) A rebuilder;
- (d) An automobile wrecker; or
- (e) A garageman or a service station operator or attendant, so designated in writing by the Director.

3. The Department or any of its authorized inspection agents ~~[shall be]~~ *are* entitled to charge \$1 for inspection of any ~~[such vehicle.]~~ *vehicle described in subsection 1.*

**Sec. 16.** NRS 482.345 is hereby amended to read as follows:

482.345 1. Except as otherwise provided in subsection ~~[6.]~~ *8*, before any dealer's license, dealer's plate, special dealer's plate, rebuilder's license or rebuilder's plate, distributor's license or distributor's plate or manufacturer's license or manufacturer's plate is furnished to a manufacturer, distributor, dealer or rebuilder as provided in this chapter, the Department shall require that the applicant make an application for such a license and plate upon a form to be furnished by the Department, and the applicant shall furnish such information as the Department requires, including proof that the applicant has an established place of business in this State, and also, except as otherwise provided in subsection 2, procure and file with the Department a good and sufficient bond in the amount of \$50,000 with a corporate surety thereon, duly licensed to do business within the State of Nevada, approved as to form by the Attorney General, and conditioned that the applicant shall conduct his business as a dealer, distributor, manufacturer or rebuilder without breaching a consumer contract or engaging in a deceptive trade practice, fraud or fraudulent representation, and without violation of the provisions of this chapter. The Department may, by agreement with any dealer, distributor, manufacturer or



1 rebuilder who has been in business for 5 years or more, allow a  
2 reduction in the amount of the bond of the dealer, if his business has  
3 been conducted satisfactorily for the preceding 5 years, but no bond  
4 may be in an amount less than \$5,000.

5 2. A manufacturer, distributor, rebuilder or dealer who  
6 manufactures, distributes or sells only motorcycles, horse trailers,  
7 tent trailers, utility trailers or trailers designed to carry boats shall  
8 file a bond as required by subsection 1 in the amount of \$5,000  
9 regardless of the length of time he has been in business.

10 3. The bond must be continuous in form, and the total  
11 aggregate liability on the bond must be limited to the payment of the  
12 total amount of the bond.

13 4. The undertaking on the bond includes any breach of a  
14 consumer contract, deceptive trade practice, fraud, fraudulent  
15 representation or violation of any of the provisions of this chapter by  
16 the representative of any licensed distributor or the salesman of any  
17 licensed dealer, manufacturer or rebuilder who acts for the dealer,  
18 distributor, manufacturer or rebuilder on his behalf and within the  
19 scope of the employment of the representative or the salesman.

20 5. The bond must provide that any person injured by the action  
21 of the dealer, distributor, rebuilder, manufacturer, representative or  
22 salesman in violation of any provisions of this chapter may apply to  
23 the Director, for good cause shown and after notice and opportunity  
24 for hearing, for compensation from the bond. *The surety issuing the*  
25 *bond shall appoint the Secretary of State as its agent to accept*  
26 *service of notice or process for the surety in any action upon the*  
27 *bond brought in a court of competent jurisdiction or brought*  
28 *before the Director.*

29 6. *If a person is injured by the actions of a dealer, distributor,*  
30 *rebuilder, manufacturer, representative or salesman, the person*  
31 *may:*

32 (a) *Bring and maintain an action in any court of competent*  
33 *jurisdiction. If the court enters:*

34 (1) *A judgment on the merits against the dealer, distributor,*  
35 *rebuilder, manufacturer, representative or salesman, the judgment*  
36 *is binding on the surety.*

37 (2) *A judgment other than on the merits against the dealer,*  
38 *distributor, rebuilder, manufacturer, representative or salesman,*  
39 *including, without limitation, a default judgment, the judgment is*  
40 *binding on the surety only if the surety was given notice and an*  
41 *opportunity to defend at least 20 days before the date on which the*  
42 *judgment was entered against the dealer, distributor, rebuilder,*  
43 *manufacturer, representative or salesman.*

44 (b) *Apply to the Director, for good cause shown and after*  
45 *notice and opportunity for hearing, for compensation from the*



1 *bond.* The Director may determine the amount of compensation ,  
2 *including damages, prejudgment interest, costs and attorney's*  
3 *fees, to be paid* and the person to whom it is to be paid. The surety  
4 shall then make the payment.

5 ~~[6-]~~ (c) *Settle the matter with the dealer, distributor, rebuilder,*  
6 *manufacturer, representative or salesman. If such a settlement is*  
7 *made, the settlement must be reduced to writing, signed by both*  
8 *parties and acknowledged before any person authorized to take*  
9 *acknowledgments in this State, and submitted to the Director with*  
10 *a request for compensation from the bond. If, after notice and*  
11 *opportunity for a hearing, the Director determines that the*  
12 *settlement was reached in good faith and there is no evidence of*  
13 *collusion or fraud between the parties in reaching the settlement,*  
14 *the surety shall make the payment to the injured person in the*  
15 *amount agreed upon in the settlement.*

16 7. *Any judgment entered by a court against a dealer,*  
17 *distributor, rebuilder, manufacturer, representative or salesman:*

18 (a) *May include damages, prejudgment interest, costs and*  
19 *attorney's fees; and*

20 (b) *May be executed through a writ of attachment,*  
21 *garnishment, execution or other legal process, or the person in*  
22 *whose favor the judgment was entered may apply to the Director*  
23 *for compensation from the bond of the dealer, distributor,*  
24 *rebuilder, manufacturer, representative or salesman.*

25 8. The provisions of this section do not apply to a manufacturer  
26 without an established place of business in this State.

27 **Sec. 17.** NRS 482.352 is hereby amended to read as follows:

28 482.352 1. The Department may deny the issuance of,  
29 suspend or revoke a license to engage in the activities of a  
30 manufacturer, distributor, rebuilder or dealer in new or used vehicles  
31 or to engage in the leasing of vehicles upon any of the following  
32 grounds:

33 (a) Failure of the applicant to have an established place of  
34 business in this State.

35 (b) Conviction of a felony in the State of Nevada or any other  
36 state, territory or nation.

37 (c) Material misstatement in the application.

38 (d) Evidence of unfitness of the applicant or licensee.

39 (e) Willful failure to comply with any of the provisions of the  
40 motor vehicle laws of the State of Nevada or the directives of the  
41 Director. For the purpose of this paragraph, failure to comply with  
42 the directives of the Director advising the licensee of his  
43 noncompliance with any provision of the motor vehicle laws of this  
44 State or regulations of the Department, within 10 days after receipt





1 of the directive, is prima facie evidence of willful failure to comply  
2 with the directive.

3 (f) Failure or refusal to furnish and keep in force any bond.

4 (g) Failure on the part of the licensee to maintain a fixed place  
5 of business in this State.

6 (h) Failure or refusal by a licensee to pay or otherwise discharge  
7 any final judgment against the licensee rendered and entered against  
8 him, arising out of the misrepresentation of any vehicle, trailer or  
9 semitrailer, or out of any fraud committed in connection with the  
10 sale of any vehicle, trailer or semitrailer.

11 (i) Failure of the licensee to maintain any other license or bond  
12 required by any political subdivision of this State.

13 (j) Allowing an unlicensed salesman to sell or lease any vehicle.

14 (k) Failure or refusal to provide to the Department an  
15 authorization for the disclosure of financial records for the business  
16 as required pursuant to subsection 3.

17 *(l) Engaging in a deceptive trade practice relating to the*  
18 *purchase and sale of a vehicle.*

19 2. The Director may deny the issuance of a license to an  
20 applicant or revoke a license already issued if the Department is  
21 satisfied that the applicant or licensee is not entitled thereto.

22 3. Upon the receipt of any report or complaint alleging that an  
23 applicant or a licensee has engaged in financial misconduct or has  
24 failed to satisfy financial obligations related to the activities of a  
25 manufacturer, distributor, dealer or rebuilder, the Department may  
26 require the applicant or licensee to submit to the Department an  
27 authorization for the disclosure of financial records for the business  
28 as provided in NRS 239A.090. The Department may use any  
29 information obtained pursuant to ~~such an~~ *the* authorization only to  
30 determine the suitability of the applicant or licensee for initial or  
31 continued licensure. Information obtained pursuant to ~~such an~~ *the*  
32 authorization may be disclosed only to those employees of the  
33 Department who are authorized to issue a license to an applicant  
34 pursuant to NRS 482.318 to 482.363105, inclusive, or to determine  
35 the suitability of an applicant or a licensee for such licensure.

36 **Sec. 18.** NRS 482.429 is hereby amended to read as follows:

37 482.429 For its services under this chapter, the Department  
38 shall charge and collect the following fees:

39  
40 For each certificate of title issued for a vehicle  
41 present or registered in this State ..... \$20.00  
42 For each duplicate certificate of title issued..... 20.00  
43 For each certificate of title issued for a vehicle not  
44 present in or registered in this State..... 35.00





1	For the processing of each dealer's or rebuilder's	
2	report of sale submitted to the Department.....	\$8.25
3	For the processing of each long-term lessor's report	
4	of lease submitted to the Department.....	8.25
5	For the processing of each endorsed certificate of	
6	title or statement submitted to the Department	
7	upon the sale of a used or rebuilt vehicle in this	
8	State by a person who is not a dealer or rebuilder .....	8.25
9	<i>For the processing of a transfer of title to a lien</i>	
10	<i>claimant in accordance with NRS 108.265 to</i>	
11	<i>108.360, inclusive, and sections 27 and 28 of this</i>	
12	<i>act.....</i>	<i>8.25</i>

13 **Sec. 19.** NRS 482.565 is hereby amended to read as follows:

14 482.565 1. ~~[The]~~ *Except as otherwise provided in section 12*  
15 *of this act, the* Department may impose an administrative fine, not  
16 to exceed \$2,500, for a violation of any provision of this chapter, or  
17 any rule, regulation or order adopted or issued pursuant thereto. The  
18 Department shall afford to any person so fined an opportunity for a  
19 hearing pursuant to the provisions of NRS 233B.121.

20 2. All administrative fines collected by the Department  
21 pursuant to subsection 1 must be deposited with the State Treasurer  
22 to the credit of the State Highway Fund.

23 3. In addition to any other remedy provided by this chapter, the  
24 Department may compel compliance with any provision of this  
25 chapter and any rule, regulation or order adopted or issued pursuant  
26 thereto, by injunction or other appropriate remedy and the  
27 Department may institute and maintain in the name of the State of  
28 Nevada any such enforcement proceedings.

29 **Sec. 20.** Chapter 487 of NRS is hereby amended by adding  
30 thereto the provisions set forth as sections 21 and 22 of this act.

31 **Sec. 21.** *"Rebuilt vehicle" has the meaning ascribed to it in*  
32 *paragraph (b) of subsection 1 of NRS 482.098.*

33 **Sec. 22.** 1. *A rebuilt vehicle may not be registered until it:*

34 (a) *Has been inspected by a garageman who operates a garage*  
35 *that is registered pursuant to NRS 487.560, by the owner of a body*  
36 *shop licensed pursuant to NRS 487.630 or by an employee of such*  
37 *a garage or body shop; and*

38 (b) *Is certified pursuant to subsection 2 that the components*  
39 *which have been replaced have been installed properly and are*  
40 *functional and operate safely in accordance with the standards of*  
41 *the manufacturer.*

42 2. *If a garageman or owner of a body shop, or an employee*  
43 *thereof, who performs an inspection pursuant to subsection 1*  
44 *finds that the components replaced on a rebuilt vehicle have been*  
45 *installed properly and are functional and operate safely in*



1 *accordance with the standards of the manufacturer, the*  
2 *garageman, owner or employee shall complete and sign a*  
3 *certificate of inspection, on a form prescribed by the state agency,*  
4 *attesting to the fact that the replaced components have been*  
5 *installed properly and are functional and operate safely in*  
6 *accordance with the standards of the manufacturer.*

7 **Sec. 23.** NRS 487.710 is hereby amended to read as follows:

8 487.710 As used in NRS 487.710 to 487.890, inclusive, *and*  
9 *sections 21 and 22 of this act*, unless the context otherwise requires,  
10 the words and terms defined in NRS 487.720 to 487.790, inclusive,  
11 *and section 21 of this act* have the meanings ascribed to them in  
12 those sections.

13 **Sec. 24.** NRS 487.790 is hereby amended to read as follows:

14 487.790 "Total loss vehicle" means a motor vehicle:

15 1. Of a type which is subject to registration; and

16 2. Which has been wrecked, destroyed or otherwise damaged  
17 to such an extent that the cost of repair is 65 percent or more of the  
18 fair market value of the vehicle immediately before it was wrecked,  
19 destroyed or otherwise damaged.

20 ➤ The term does not include a nonrepairable vehicle or other motor  
21 vehicle which is 10 model years old or older and which requires  
22 only the replacement of the hood, trunk lid, grill assembly or two or  
23 fewer ~~{quarter—panels,}~~ doors, bumper assemblies, headlight  
24 assemblies, taillight assemblies, or any combination thereof, to  
25 restore the vehicle to its condition before it was wrecked, destroyed  
26 or otherwise damaged. For the purposes of this section, the model  
27 year of manufacture is calculated based on a year beginning on  
28 January 1 of the calendar year in which the damage occurs.

29 **Sec. 25.** NRS 487.840 is hereby amended to read as follows:

30 487.840 1. A person shall not remove, cause to be removed  
31 or conceal a marking on ~~{a}~~ :

32 (a) A salvage title or other title which indicates that the vehicle  
33 is a salvage *vehicle*; or

34 (b) *A certificate of title or other title for a rebuilt vehicle which*  
35 *indicates that the vehicle is a rebuilt* vehicle.

36 2. A person who knowingly violates subsection 1 with the  
37 intent to defraud:

38 (a) If the fair market value of the vehicle involved is \$250 or  
39 more, is guilty of a category D felony and shall be punished as  
40 provided in NRS 193.130.

41 (b) If the fair market value of the vehicle involved is less than  
42 \$250, is guilty of a misdemeanor.

43 ➤ In addition to any other penalty, the court shall order the person  
44 to pay restitution to the victim.



1     **Sec. 26.** Chapter 108 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 27 and 28 of this act.

3     **Sec. 27.** *“Fair market value” means the retail value of a*  
4 *motor vehicle, motorcycle, trailer or recreational vehicle that is*  
5 *established by:*

6         1. *An objective appraisal based upon local market resources,*  
7 *including, without limitation, automobile dealers and classified*  
8 *advertisements of newspapers;*

9         2. *An independent appraisal service;*

10        3. *A current issue of a nationally recognized guide used by*  
11 *financial institutions in this State for the valuation of used motor*  
12 *vehicles, motorcycles, trailers or recreational vehicles; or*

13        4. *A computer-based service commonly used by insurers for*  
14 *the valuation of used motor vehicles, motorcycles, trailers or*  
15 *recreational vehicles.*

16     **Sec. 28.** *Subject to the provisions of NRS 108.315:*

17        1. *Before a lien claimant may sell or auction any motor*  
18 *vehicle, motorcycle, trailer or recreational vehicle on which he*  
19 *holds a lien, the lien claimant must apply for, and receive, a*  
20 *certificate of title or salvage title, as appropriate, for the motor*  
21 *vehicle, motorcycle, trailer or recreational vehicle. The lien*  
22 *claimant may apply for a certificate of title not earlier than the last*  
23 *date by which the amount of the claim must be paid that is set*  
24 *forth in the notice pursuant to paragraph (c) of subsection 3 of*  
25 *NRS 108.272.*

26        2. *If, after receiving title to a motor vehicle, motorcycle,*  
27 *trailer or recreational vehicle pursuant to this section, the lien*  
28 *claimant decides not to sell the motor vehicle, motorcycle, trailer*  
29 *or recreational vehicle, the person to whom he would have been*  
30 *bound to deliver, or justified in delivering, the motor vehicle,*  
31 *motorcycle, trailer or recreational vehicle is entitled to that*  
32 *amount of the fair market value of the vehicle that exceeds the*  
33 *amount of the lien.*

34        3. *A person who purchases a motor vehicle, motorcycle,*  
35 *trailer or recreational vehicle pursuant to NRS 108.265 to*  
36 *108.360, inclusive, and sections 27 and 28 of this act, or a lien*  
37 *claimant who decides not to sell the motor vehicle, motorcycle,*  
38 *trailer or recreational vehicle, must pay the fees for registration*  
39 *and governmental services taxes before he is entitled to a transfer*  
40 *of the registration and, if applicable, title to his name. The*  
41 *purchaser or transferee must apply for registration as provided in*  
42 *NRS 482.215.*

43     **Sec. 29.** NRS 108.265 is hereby amended to read as follows:

44        108.265 As used in NRS 108.265 to 108.360, inclusive, *and*  
45 *sections 27 and 28 of this act,* unless the context otherwise requires,



1 the words and terms defined in NRS 108.266 to 108.2679, inclusive,  
2 *and section 27 of this act*, have the meanings ascribed to them in  
3 those sections.

4 **Sec. 30.** NRS 108.272 is hereby amended to read as follows:

5 108.272 1. Except as otherwise provided in subsection 2, the  
6 notice of a lien must be given by delivery in person or by registered  
7 or certified letter addressed to the last known place of business or  
8 abode of:

9 (a) The legal owner and registered owner of the property.

10 (b) Each person who holds a security interest in the property.

11 (c) If the lien is on a mobile home or manufactured home, each  
12 person who is listed in the records of the Manufactured Housing  
13 Division of the Department of Business and Industry as holding an  
14 ownership or other interest in the home.

15 *(d) If the lien is on a motor vehicle, motorcycle, trailer or*  
16 *recreational vehicle subject to registration with the Department of*  
17 *Motor Vehicles in this State, each person who is listed in the*  
18 *records of the Department of Motor Vehicles as holding an*  
19 *ownership or other interest in the motor vehicle, motorcycle,*  
20 *trailer or recreational vehicle.*

21 ➔ If no address is known, the notice must be addressed to that  
22 person at the place where the lien claimant has his place of business.

23 2. Any person who claims a lien on aircraft, aircraft equipment  
24 or parts shall:

25 (a) Within 120 days after he furnishes supplies or services; or

26 (b) Within 7 days after he receives an order to release the  
27 property,

28 ➔ whichever time is less, serve the legal owner by mailing a copy  
29 of the notice of the lien to his last known address, or if no address is  
30 known, by leaving a copy with the clerk of the court in the county  
31 where the notice is filed.

32 3. The notice must contain:

33 (a) An itemized statement of the claim, showing the sum due at  
34 the time of the notice and the date when it became due.

35 (b) A brief description of the motor vehicle, airplane,  
36 motorcycle, motor or airplane equipment, trailer, recreational  
37 vehicle, mobile home or manufactured home against which the lien  
38 exists.

39 (c) A demand that the amount of the claim as stated in the  
40 notice, and of any further claim as may accrue, must be paid on or  
41 before a day mentioned.

42 (d) A statement that unless the claim is paid within the time  
43 specified the motor vehicle, aircraft, motorcycle, motor or aircraft  
44 equipment, trailer, recreational vehicle, mobile home or  
45 manufactured home ~~[will]~~ *may, in accordance with NRS 108.265 to*



1 *108.360, inclusive, and sections 27 and 28 of this act*, be advertised  
2 for sale, and sold by auction at a specified time and place.

3 (e) *A statement that:*

4 (1) *For a lien on motor or aircraft equipment, aircraft*  
5 *parts, a mobile home, a manufactured home or a motor vehicle,*  
6 *motorcycle, trailer or recreational vehicle which is not subject to*  
7 *registration in this State, the person to whom the lien claimant*  
8 *would be bound to deliver, or justified in delivering, the motor*  
9 *vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft*  
10 *parts, trailer, recreational vehicle, mobile home or manufactured*  
11 *home, is entitled to the balance, if any, of the proceeds from the*  
12 *sale.*

13 (2) *For a lien on a motor vehicle, motorcycle, trailer or*  
14 *recreational vehicle subject to registration in this State, the person*  
15 *to whom the lien claimant would be bound to deliver, or justified*  
16 *in delivering, the motor vehicle, motorcycle, trailer or recreational*  
17 *vehicle is entitled to:*

18 (I) *The balance, if any of the proceeds from the sale; or*

19 (II) *If the lien claimant decides not to sell the motor*  
20 *vehicle, motorcycle, trailer or recreational vehicle after obtaining*  
21 *title to the vehicle, the amount of the fair market value of the*  
22 *vehicle that exceeds the amount of the lien.*

23 4. The lienholder shall determine a day for the purposes of the  
24 demand in paragraph (c) of subsection 3. The day mentioned must  
25 be:

26 (a) Not less than 10 days after the delivery of the notice if it is  
27 personally delivered; or

28 (b) Not less than 10 days after the time when the notice should  
29 reach its destination, according to the due course of post, if the  
30 notice is sent by mail.

31 **Sec. 31.** NRS 108.310 is hereby amended to read as follows:

32 108.310 Subject to the provisions of NRS 108.315 ~~and~~ *and*  
33 *section 28 of this act*, the lien created in NRS 108.270 to 108.360,  
34 inclusive, *and section 28 of this act* may be satisfied as follows:

35 1. The lien claimant shall give written notice to the person on  
36 whose account the storing, maintaining, keeping, repairing, labor,  
37 fuel, supplies, facilities, services or accessories were made, done or  
38 given, and to any other person known to have or to claim an interest  
39 in the motor vehicle, aircraft, motorcycle, motor or aircraft  
40 equipment, aircraft parts, trailer, recreational vehicle, mobile home  
41 or manufactured home, upon which the lien is asserted, and to the:

42 (a) Manufactured Housing Division of the Department of  
43 Business and Industry with regard to mobile homes, manufactured  
44 homes and commercial coaches as defined in chapter 489 of NRS;  
45 or



(b) Department of Motor Vehicles with regard to all other items included in this section.

2. In accordance with the terms of a notice so given, a sale by auction may be held to satisfy any valid claim which has become a lien on the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home. The sale must be held in the place where the lien was acquired, or, if that place is manifestly unsuitable for the purpose, at the nearest suitable place.

3. After the time for the payment of the claim specified in the notice has elapsed, an advertisement of the sale, describing the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home to be sold, and stating the name of the owner or person on whose account it is held, and the time and place of the sale, must be published once a week for 3 consecutive weeks in a newspaper published in the place where the sale is to be held, but if no newspaper is published in that place, then in a newspaper published in this state that has a general circulation in that place. The sale must not be held less than 22 days after the time of the first publication.

4. From the proceeds of the sale the lien claimant who furnished the services, labor, fuel, accessories, facilities or supplies shall satisfy his lien, including the reasonable charges of notice, advertisement and sale. The balance, if any, of the proceeds must be delivered, on demand, to the person to whom he would have been bound to deliver, or justified in delivering, the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home.

**Sec. 32.** NRS 108.320 is hereby amended to read as follows:

108.320 ~~{At}~~

*1. Except as otherwise provided in this section, at* any time before the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home is so sold, any person claiming a right of property or possession therein may pay the lien claimant the amount necessary to satisfy his lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of ~~{such}~~ *the* payment. The lien claimant shall deliver the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home to the person making the payment if he is a person entitled to the possession of the property on payment of the charges thereon.



2. *If the person claims a right of property or possession of a motor vehicle, motorcycle, trailer or recreational vehicle subject to registration in this State after the lien claimant has obtained a certificate of title to the vehicle in accordance with section 28 of this act, the person claiming the right of property or possession is entitled to that amount of the fair market value of the vehicle that exceeds the amount of the lien and costs associated with enforcing the lien.*

**Sec. 33.** NRS 108.340 is hereby amended to read as follows:

108.340 After goods have been lawfully sold to satisfy the lien created in NRS 108.270 to 108.360, inclusive, *and section 28 of this act, or after the Department of Motor Vehicles has issued a certificate of title for a motor vehicle, motorcycle, trailer or recreational vehicle to the lien claimant in accordance with section 28 of this act*, the lien claimant is not liable for failure to deliver the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home to the owner or claimant.

**Sec. 34.** Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 35 to 38, inclusive, of this act.

**Sec. 35. 1.** *A manufacturer, or its agent or authorized dealer, who reacquires a motor vehicle pursuant NRS 597.630 that was registered in this State, or any other state, the District of Columbia or any territory or possession of the United States, or who assists a lienholder in reacquiring such a motor vehicle, shall, before selling, leasing or transferring ownership of the motor vehicle in this State or exporting the motor vehicle to another state for sale, lease or transfer:*

*(a) Cause the motor vehicle to be retitled in the name of the manufacturer;*

*(b) Request the Department of Motor Vehicles to inscribe the certificate of ownership for the motor vehicle with the notation "Lemon Law Buyback"; and*

*(c) Affix a decal to the motor vehicle in accordance with subsection 6.*

2. *Any manufacturer who reacquires, or assists a dealer or lienholder in reacquiring, a motor vehicle in response to a request by the buyer or lessee that the motor vehicle be replaced or accepted for a refund because the motor vehicle did not conform to express warranties shall, before the sale, lease or other transfer of the motor vehicle, execute and deliver to the subsequent transferee a notice and obtain the transferee's written acknowledgment of the notice in accordance with section 36 of this act.*





1       3. Any person, including any dealer, who acquires a motor  
2 vehicle for resale and knows or should have known that the motor  
3 vehicle was reacquired by the manufacturer of the motor vehicle  
4 pursuant to NRS 597.630 shall, before the sale, lease or other  
5 transfer, execute and deliver to the subsequent transferee a notice  
6 and obtain the transferee's written acknowledgment of the notice  
7 in accordance with section 36 of this act.

8       4. Any person, including any manufacturer or dealer, who  
9 sells, leases or transfers ownership of a motor vehicle when the  
10 certificate of ownership for the motor vehicle is inscribed with the  
11 notation "Lemon Law Buyback" shall, before the sale, lease, or  
12 ownership transfer of the motor vehicle, submit to the transferee a  
13 written disclosure signed by the transferee stating that:

14  
15               THIS VEHICLE WAS REPURCHASED BY ITS  
16 MANUFACTURER BECAUSE OF A DEFECT IN THE  
17 VEHICLE PURSUANT TO CONSUMER WARRANTY  
18 LAWS. THE TITLE TO THIS VEHICLE HAS BEEN  
19 PERMANENTLY INSCRIBED WITH THE NOTATION  
20 "LEMON LAW BUYBACK."  
21

22       5. The requirements for disclosure set forth in subsections 1,  
23 2 and 3 are in addition to any other notice requirements for  
24 consumers and do not relieve any person, including any dealer or  
25 manufacturer, from complying with any other applicable law.

26       6. The decal required pursuant to subsection 1 must be  
27 affixed to the left front doorframe of the motor vehicle or, if the  
28 motor vehicle does not have a left front doorframe, in a location  
29 designated by the Department of Motor Vehicles. The decal must  
30 specify that the certificate of title to the motor vehicle has been  
31 permanently inscribed with the notation "Lemon Law Buyback."  
32 A person shall not knowingly remove or alter any decal affixed to  
33 a motor vehicle pursuant to this subsection, regardless of whether  
34 the motor vehicle is licensed pursuant to this chapter.

35       Sec. 36. 1. The notice required pursuant to subsections 1  
36 and 2 of section 35 of this act must be prepared by the  
37 manufacturer of the reacquired motor vehicle and specify:

38       (a) The year, make, model and vehicle identification number  
39 of the motor vehicle.

40       (b) Whether the certificate of title for the motor vehicle has  
41 been inscribed with the notation "Lemon Law Buyback."

42       (c) The nature of each nonconformity reported by the original  
43 buyer or lessee of the motor vehicle.



(d) *The repairs, if any, made to the motor vehicle in an attempt to correct each nonconformity reported by the original buyer or lessee.*

2. *The notice must be included on a form 8 1/2 x 11 inches in size and printed in a size equal to at least 10-point black type on a white background. The form must only contain the following information and be completed by the manufacturer:*

**WARRANTY BUYBACK NOTICE**

**(Check One)**

*/\_\_\_/ This vehicle was repurchased by the vehicle's manufacturer after the last retail owner or lessee requested its repurchase because of the problems listed below.*

***/\_\_\_/ THIS VEHICLE WAS REPURCHASED BY ITS MANUFACTURER BECAUSE OF A DEFECT IN THE VEHICLE PURSUANT TO CONSUMER WARRANTY LAWS. THE TITLE TO THIS VEHICLE HAS BEEN PERMANENTLY INSCRIBED WITH THE NOTATION "LEMON LAW BUYBACK." Under Nevada law, the manufacturer must warrant to you, for 1 year, that the vehicle is free of the problems listed below.***

<b><i>V.I.N.</i></b>	<b><i>/Year</i></b>	<b><i>/Make</i></b>	<b><i>/Model</i></b>
	<i>/</i>	<i>/</i>	<i>/</i>

<b><i>Problem(s) Reported by</i></b>	<b><i>/ Repairs Made, if any, to</i></b>
<b><i>Original Owner</i></b>	<b><i>/Correct Reported Problem(s)</i></b>
	<i>/</i>
	<i>/</i>
	<i>/</i>
	<i>/</i>

***Signature of Manufacturer***

***Date***

\_\_\_\_\_

***Signature of Dealers***

***Date***

\_\_\_\_\_

\_\_\_\_\_

***Signature of Retail Buyer or Lessee***    ***Date***

\_\_\_\_\_

\_\_\_\_\_



1     **Sec. 37. 1. A manufacturer, importer, distributor, dealer or**  
2 *lienholder who reacquires or assists in reacquiring a motor*  
3 *vehicle, whether by judgment, decree, arbitration award,*  
4 *settlement agreement or voluntary agreement, shall not:*

5     *(a) Require, as a condition of the reacquisition of the motor*  
6 *vehicle, a buyer or lessee who is a resident of this State to agree to*  
7 *refrain from disclosing the problems with the motor vehicle*  
8 *experienced by the buyer or lessee or the nonfinancial terms of the*  
9 *reacquisition.*

10    *(b) Include, in any release or other agreement, whether*  
11 *prepared by the manufacturer, importer, distributor, dealer or*  
12 *lienholder, for signature by the buyer or lessee, a confidentiality*  
13 *clause, gag clause or similar clause prohibiting the buyer or lessee*  
14 *from disclosing information to any other person concerning the*  
15 *problems with the motor vehicle or the nonfinancial terms of the*  
16 *reacquisition of the motor vehicle by the manufacturer, importer,*  
17 *distributor, dealer or lienholder.*

18     **2. Any confidentiality clause, gag clause or similar clause**  
19 *included in the release or other agreement in violation of this*  
20 *section is void.*

21     **3. The provisions of this section do not prohibit the inclusion**  
22 *within the release or other agreement any confidentiality clause,*  
23 *gag clause or similar clause regarding the financial terms of the*  
24 *reacquisition of the motor vehicle.*

25     **Sec. 38. A person who incurs an injury as the proximate**  
26 *result of a violation of the provisions of section 35, 36 or 37 of this*  
27 *act may commence an action in a court of competent jurisdiction*  
28 *for the recovery of his actual damages, costs and reasonable*  
29 *attorney's fees and for any punitive damages that the facts may*  
30 *warrant.*

31     **Sec. 39. NRS 597.600 is hereby amended to read as follows:**  
32     597.600 As used in NRS 597.600 to 597.680, inclusive, **and**  
33 **sections 35 to 38 of this act,** unless the context otherwise requires:

34     1. "Buyer" means:

35     (a) A person who purchases or contracts to purchase, other than  
36 for purposes of resale, a motor vehicle normally used for personal,  
37 family or household purposes.

38     (b) Any person to whom the motor vehicle is transferred during  
39 the time a manufacturer's express warranty applicable to the motor  
40 vehicle is in effect.

41     (c) Any other person entitled by the terms of the warranty to  
42 enforce its obligations.

43     2. Except as otherwise provided in this subsection "motor  
44 vehicle" has the meaning ascribed to it in NRS 482.075. The term



- 1 does not include motor homes or off-road vehicles except for the
- 2 purposes of NRS 597.680.

③⑩



\* A B 2 4 9 \*

