

ASSEMBLY BILL NO. 416—ASSEMBLYMAN MCCLEARY

MARCH 24, 2005

Referred to Committee on Transportation

SUMMARY—Revises provisions governing Advisory Board on Automotive Affairs. (BDR 43-1264)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 motor vehicles; transferring the Advisory Board on Automotive Affairs from the Division of Insurance of the Department of Business and Industry to the Department of Motor Vehicles; revising the membership and duties of the Board; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Advisory Board on Automotive Affairs within the Division of Insurance of the Department of Business and Industry, consisting of seven members appointed by the Governor, and establishes the qualifications and duties of those members. Under existing law, the Board is required to review, and is authorized to propose, regulations on certain specified issues or issues that otherwise relate to the operation of body shops or automobile wreckers. (NRS 487.002)

This bill transfers the Advisory Board on Automotive Affairs from the Division of Insurance of the Department of Business and Industry to the Department of Motor Vehicles. This bill also revises the qualifications and duties of the members of the Board. Those duties include studying the regulation of garagemen, automobile wreckers and operators of body shops and salvage pools, analyzing and advising the Department regarding certain consumer complaints, recommending necessary regulations and proposed legislation and preparing a biennial report of its activities and recommendations for submission to the Governor and the Legislature.



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

- 1 **Section 1.** NRS 487.002 is hereby amended to read as follows:
2 487.002 1. ~~{As used in this section:~~
3 ~~—(a) “Commissioner” means the Commissioner of Insurance.~~
4 ~~—(b) “Department” means the Department of Motor Vehicles.~~
5 ~~—2.]~~ The Advisory Board on Automotive Affairs, consisting of
6 seven members appointed by the Governor, is hereby created within
7 ~~{the Division of Insurance of}~~ the Department . ~~{of Business and~~
8 ~~Industry.~~
9 ~~—3.]~~ 2. The Governor shall appoint to the Board ~~{one~~
10 ~~representative of:~~
11 ~~—(a) The Commissioner;~~
12 ~~—(b) The Department;~~
13 ~~—(c) Licensed} :~~
14 ~~(a) One representative of the Department;~~
15 ~~(b) One representative of licensed~~ operators of body shops;
16 ~~{(d) Licensed}~~
17 ~~(c) One representative of licensed~~ automobile wreckers;
18 ~~{(e) Insurers of motor vehicles;~~
19 ~~—(f) Automobile manufacturers; and~~
20 ~~—(g) The}~~
21 ~~(d) One representative of registered garagemen;~~
22 ~~(e) One representative of licensed operators of salvage pools;~~
23 ~~and~~
24 ~~(f) Two representatives of the~~ general public.
25 ~~{4.}~~ 3. After the initial terms, each member of the Board serves
26 a term of 4 years. The members of the Board shall annually elect
27 from among their number a Chairman and a Vice Chairman. The
28 ~~{Commissioner}~~ **Department** shall provide secretarial services for
29 the Board.
30 ~~{5.}~~ 4. The Board shall meet regularly at least twice each year
31 and may meet at other times upon the call of the Chairman. Each
32 member of the Board is entitled to the per diem allowance and travel
33 expenses provided for state officers and employees generally.
34 ~~{6. Not less than 30 days before the adoption by the~~
35 ~~Commissioner or the Department of any regulation pursuant to~~
36 ~~subsection 7 or otherwise relating to the operation of body shops or~~
37 ~~automobile wreckers, the Commissioner or the Director, as~~
38 ~~appropriate, shall submit the proposed regulation to the Board for its~~
39 ~~review and comment.~~
40 ~~—7. The Commissioner and the Department, jointly, shall adopt~~
41 ~~and the Board may propose, pursuant to NRS 233B.100, regulations~~
42 ~~to the appropriate agency concerning:~~



~~1 (a) The use of new or used parts for the repair of motor vehicles
2 and parts that are not manufactured by the manufacturers of the
3 motor vehicles for which they are used.~~

~~4 (b) The survey methodology that may be used by an insurer to
5 ascertain prevailing charges for the repair of a motor vehicle.~~

~~6 (c) The preferred use of a business which repairs motor vehicles
7 by an insurer of motor vehicles.]~~

8 **5. The Board shall:**

9 (a) *Study the regulation of garagemen, automobile wreckers
10 and operators of body shops and salvage pools, including, without
11 limitation, the registration or licensure of such persons and the
12 methods of disciplinary action against such persons;*

13 (b) *Analyze and advise the Department relating to any
14 consumer complaints provided to the Department by the
15 Consumer Affairs Division of the Department of Business and
16 Industry pursuant to NRS 598.985 or otherwise received by the
17 Department concerning garagemen, automobile wreckers or
18 operators of body shops or salvage pools;*

19 (c) *Make recommendations to the Department for any
20 necessary regulations or proposed legislation pertaining to
21 paragraph (a) or (b);*

22 (d) *On or before January 15 of each odd-numbered year,
23 prepare and submit a report concerning its activities and
24 recommendations to the Governor and to the Director of the
25 Legislative Counsel Bureau for transmission to the Legislature;
26 and*

27 (e) *Perform any other duty assigned by the Department.*

28 **Sec. 2.** NRS 690B.016 is hereby amended to read as follows:

29 690B.016 1. An insured or a claimant under a policy of
30 insurance may have repairs to a motor vehicle made at the licensed
31 body shop of his choice. An insurer of motor vehicles shall notify
32 the insured or the claimant of this right when the insurer is first
33 contacted concerning a claim for damage to a motor vehicle.

34 2. An insurer of motor vehicles or a representative of the
35 insurer shall not:

36 (a) Knowingly recommend to an insured or a claimant, or direct
37 an insured or a claimant to, a body shop in this State which is not
38 licensed pursuant to NRS 487.630;

39 (b) Require an insured or a claimant to patronize any licensed
40 body shop in this State in preference to another such business . ~~†
41 except in accordance with the regulations adopted pursuant to
42 paragraph (c) of subsection 7 of NRS 487.002.]~~

43 3. The provisions of this section do not require an insurer to
44 pay more than the reasonable rate required pursuant to a policy of
45 insurance for repairs to a motor vehicle.



1 4. For the purposes of this section, an insurer is entitled to rely
2 upon the validity of the license number included by the body shop
3 on its estimates and invoices for repairs.

4 **Sec. 3.** 1. The terms of the current members of the Advisory
5 Board on Automotive Affairs expire on June 30, 2005.

6 2. As soon as practicable after July 1, 2005, the Governor shall
7 appoint:

8 (a) Four members to serve initial terms that expire on June 30,
9 2007.

10 (b) Three members to serve initial terms that expire on June 30,
11 2009.

12 **Sec. 4.** This act becomes effective on July 1, 2005.

