

ASSEMBLY BILL NO. 77—ASSEMBLYMEN HORNE, GIUNCHIGLIANI, MCCLEARY, LESLIE, ATKINSON, ALLEN, BUCKLEY, CARPENTER, CHRISTENSEN, CLABORN, CONKLIN, DENIS, GANSERT, GERHARDT, GOICOECHEA, GRADY, HOGAN, KIRKPATRICK, KOIVISTO, MANENDO, MCCLAIN, MORTENSON, MUNFORD, OCEGUERA, OHRENSCHALL, PARKS, PARNELL, PERKINS, PIERCE, SHERER, SIBLEY AND SMITH

FEBRUARY 17, 2005

JOINT SPONSORS: SENATORS CARLTON, CEGAVSKE,
AMODEI AND HARDY

Referred to Concurrent Committees on Transportation
and Ways and Means

SUMMARY—Revises provisions regarding courses in automobile drivers' education and issuance of driver instruction permits and requires reduction in insurance premiums for certain insureds. (BDR 34-474)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

CONTAINS UNFUNDED MANDATE (§ 1)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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; requiring the board of trustees of each school district to establish and maintain courses in automobile drivers' education; prohibiting a person who is under the age of 16 years from obtaining an instruction permit unless he is enrolled in a course in automobile drivers' education; requiring every policy of liability insurance covering a motor vehicle to provide for reduced premiums for certain persons who have completed a course in automobile drivers' education; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

Existing law authorizes, but does not require, the board of trustees of a school district to establish and maintain drivers' education courses. (NRS 389.090)

This bill amends existing law to require each school district to establish and maintain drivers' education courses.

Under existing law, a person who is at least 15 1/2 years of age and who has passed all parts of the examination other than the driving test is qualified to receive a driver instruction permit. (NRS 483.250, 483.280)

This bill amends existing law to prohibit the issuance of a driver instruction permit to a person who is less than 16 years of age, however, a person who is under 18 years of age and who is enrolled in a drivers' education course may receive a restricted instruction permit.

Existing law regulates casualty insurance for motor vehicles and provides for the reduction of premium rates for vehicles that are equipped with air bags and for persons who are 55 years of age or older who have completed a driver safety course and maintain a good driving record. (NRS 690B.029, 690B.031)

This bill requires a policy of liability insurance for a motor vehicle to provide reduced premiums to persons who have completed a drivers' education course. An insurer may apply to the Commissioner of Insurance for an increase if the reduced premiums fail to provide a fair and reasonable return or are otherwise confiscatory. Pending review by the Commissioner, the insurer may charge the proposed reduced rates until the Commissioner approves or disapproves his application.

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

Section 1. NRS 389.090 is hereby amended to read as follows:

389.090 1. The State Board shall adopt regulations governing the establishment, conduct and scope of automobile drivers' education in the public schools of this State. The regulations must set forth, without limitation:

(a) The number of hours of training that must be completed by a pupil who enrolls in a course in automobile drivers' education;

(b) That a course in automobile drivers' education may be conducted in a classroom or motor vehicle, or both; and

(c) That if a course in automobile drivers' education is conducted both in a classroom and in a motor vehicle, 1 hour of training in a motor vehicle is equivalent to 3 hours of training in a classroom.

2. The aims and purposes of automobile drivers' education are to develop the knowledge, attitudes, habits and skills necessary for the safe operation of motor vehicles.

3. The board of trustees of ~~the~~ *each* school district ~~may~~ *shall* establish and maintain courses in automobile drivers' education during regular semesters and summer sessions and during the regular school day and at times other than during the regular school day for:



(a) Pupils enrolled in the regular full-time day high schools in the school district.

(b) Pupils enrolled in summer classes conducted in high schools in the school district.

➡ A board of trustees ~~[maintaining courses in automobile driver education]~~ shall insure against any liability arising out of the use of motor vehicles in connection with ~~[those courses.]~~ *courses in automobile drivers' education maintained pursuant to this section.*

The cost of the insurance must be paid from available money of the school district.

4. ~~[A]~~ *The* governing body of a charter school may establish and maintain courses in automobile drivers' education if the governing body insures against any liability arising out of the use of motor vehicles in connection with those courses.

5. Automobile drivers' education must be provided by boards of trustees of school districts and governing bodies of charter schools in accordance with the regulations of the State Board and may not be duplicated by any other agency, department, commission or officer of the State of Nevada.

6. Each course in automobile drivers' education provided by ~~[a]~~ *the* board of trustees of a school district or ~~[a]~~ *the* governing body of a charter school must include, without limitation, instruction in:

(a) Motor vehicle insurance.

(b) The effect of drugs and alcohol on an operator of a motor vehicle.

7. Each course in automobile drivers' education provided by ~~[a]~~ *the* board of trustees of a school district or ~~[a]~~ *the* governing body of a charter school must be restricted to pupils who are at least 15 years of age.

Sec. 2. NRS 483.250 is hereby amended to read as follows:

483.250 The Department shall not issue any license pursuant to the provisions of NRS 483.010 to 483.630, inclusive:

1. To any person who is under the age of 18 years, except that the Department may issue:

(a) A restricted license to a person between the ages of 14 and 18 years pursuant to the provisions of NRS 483.267 and 483.270.

(b) An instruction permit to a person who is at least ~~[15 1/2]~~ *16* years of age pursuant to the provisions of subsection 1 of NRS 483.280.

(c) A restricted instruction permit to a person under the age of 18 years pursuant to the provisions of subsection 3 of NRS 483.280.

(d) ~~[Except as otherwise provided in paragraph (c), a]~~ *A* license to a person between the ages of 15 3/4 and 18 years if:



(1) He has completed a course:

(I) In automobile drivers' education pursuant to NRS 389.090; or

(II) Provided by a school for training drivers licensed pursuant to NRS 483.700 to 483.780, inclusive, if the course complies with the applicable regulations governing the establishment, conduct and scope of automobile drivers' education adopted by the State Board of Education pursuant to NRS 389.090;

(2) He has at least 50 hours of experience in driving a motor vehicle with a restricted license, instruction permit or restricted instruction permit issued pursuant to NRS 483.267, 483.270 or 483.280;

(3) His parent or legal guardian signs and submits to the Department a form provided by the Department which attests that the person who wishes to obtain the license has completed the training and experience required by subparagraphs (1) and (2); and

(4) He has held an instruction permit *or restricted instruction permit* for at least:

(I) Ninety days before he applies for the license, if he was under the age of 16 years at the time he obtained the ~~instruction~~ permit;

(II) Sixty days before he applies for the license, if he was at least 16 years of age but less than 17 years of age at the time he obtained the ~~instruction~~ permit; or

(III) Thirty days before he applies for the license, if he was at least 17 years of age but less than 18 years of age at the time he obtained the ~~instruction~~ permit.

~~[(e) A license to a person who is between the ages of 15 3/4 and 18 years if:~~

~~—— (1) The public school in which he is enrolled is located in a county whose population is less than 50,000 or in a city or town whose population is less than 25,000;~~

~~—— (2) The public school does not offer automobile drivers' education;~~

~~—— (3) He has at least 50 hours of experience in driving a motor vehicle with a restricted license, instruction permit or restricted instruction permit issued pursuant to NRS 483.267, 483.270 or 483.280;~~

~~—— (4) His parent or legal guardian signs and submits to the Department a form provided by the Department which attests that the person who wishes to obtain the license has completed the experience required by subparagraph (3); and~~

~~—— (5) He has held an instruction permit for at least:~~



~~(I) Ninety days before he applies for the license, if he was under the age of 16 years at the time he obtained the instruction permit;~~

~~(II) Sixty days before he applies for the license, if he was at least 16 years of age but less than 17 years of age at the time he obtained the instruction permit; or~~

~~(III) Thirty days before he applies for the license, if he was at least 17 years of age but less than 18 years of age at the time he obtained the instruction permit.]~~

2. To any person whose license has been revoked until the expiration of the period during which he is not eligible for a license.

3. To any person whose license has been suspended, but upon good cause shown to the Administrator, the Department may issue a restricted license to him or shorten any period of suspension.

4. To any person who has previously been adjudged to be afflicted with or suffering from any mental disability or disease and who has not at the time of application been restored to legal capacity.

5. To any person who is required by NRS 483.010 to 483.630, inclusive, to take an examination, unless he has successfully passed the examination.

6. To any person when the Administrator has good cause to believe that by reason of physical or mental disability that person would not be able to operate a motor vehicle safely.

7. To any person who is not a resident of this State.

8. To any child who is the subject of a court order issued pursuant to title 5 of NRS which delays his privilege to drive.

9. To any person who is the subject of a court order issued pursuant to NRS 206.330 which suspends or delays his privilege to drive until the expiration of the period of suspension or delay.

Sec. 3. NRS 483.280 is hereby amended to read as follows:

483.280 1. Any person who is at least ~~15~~ 16 years of age may apply to the Department for an instruction permit. The Department may, in its discretion, after the applicant has successfully passed all parts of the examination other than the driving test, issue to the applicant an instruction permit entitling the applicant, while having the permit in his immediate possession, to drive a motor vehicle upon the highways for a period of 1 year when accompanied by a licensed driver who is at least 21 years of age, who has had at least 1 year of licensed driving experience in the type of vehicle for which the permit was issued and who is actually occupying a seat beside the driver, except when the permittee is occupying a motorcycle. The term "licensed driving experience" as used in this subsection does not include driving experience gained



1 under an instruction permit issued pursuant to the provisions of this
2 section.

3 2. The Department may, in its discretion, issue a temporary
4 driver's permit to an applicant for a driver's license permitting him
5 to drive a motor vehicle while the Department is completing its
6 investigation and determination of all facts relative to the applicant's
7 right to receive a driver's license. The permit must be in his
8 immediate possession while driving a motor vehicle, and is invalid
9 when the applicant's license has been issued or for good cause has
10 been refused.

11 3. The Department, upon receiving proper application, may, in
12 its discretion, issue a restricted instruction permit effective for a
13 school year, or for a more restricted period, to an applicant who is
14 enrolled in a drivers' education program which includes practice
15 driving and which is approved by the Department even though the
16 applicant has not reached the legal age to be eligible for a driver's
17 license. The instruction permit entitles the permittee, when he has
18 the permit in his immediate possession, to drive a motor vehicle
19 only on a designated highway or within a designated area, but only
20 when an approved instructor is occupying a seat beside the
21 permittee.

22 **Sec. 4.** NRS 483.785 is hereby amended to read as follows:

23 483.785 1. The Department may accept gifts and grants of
24 money to provide grants of money to pupils who are less than 18
25 years of age and who need financial assistance to pay:

26 (a) If a pupil is enrolled in ~~[a public school that provides~~
27 ~~instruction in]~~ automobile *drivers'* education ~~[.] pursuant to NRS~~
28 *389.090*, a laboratory fee required pursuant to NRS 389.100.

29 (b) If a pupil is enrolled in a ~~[public school that does not provide~~
30 ~~instruction in automobile education, the costs and fees of a]~~ course
31 provided by a school for training drivers that is licensed pursuant to
32 NRS 483.700 to 483.780, inclusive, and that complies with the
33 applicable regulations governing the establishment, conduct and
34 scope of automobile drivers' education adopted by the State Board
35 of Education pursuant to NRS 389.090 ~~[.]~~, *the costs and fees of*
36 *such a course.*

37 2. The Department may, in consultation with the State Board of
38 Education, adopt regulations to carry out the provisions of this
39 section, including, without limitation, the:

40 (a) Procedure by which a person may apply for a grant of money
41 from the Department;

42 (b) Criteria that the Department will consider in determining
43 whether to award a grant of money; and

44 (c) Procedure by which the Department will distribute the
45 money it receives pursuant to subsection 1.



1 **Sec. 5.** Chapter 690B of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *Except as otherwise provided in this section, a policy of*
4 *insurance against liability arising out of the ownership,*
5 *maintenance or use of a motor vehicle delivered or issued for*
6 *delivery in this State to a person who has completed a course in*
7 *drivers' education pursuant to NRS 389.090 or a course provided*
8 *by a school for training drivers licensed pursuant to NRS 483.700*
9 *to 483.780, inclusive, must contain a provision for a reduction in*
10 *the premium.*

11 2. *The reduction in the premiums provided for in subsection*
12 *1 must be based on the actuarial and loss experience data*
13 *available to each insurer and must be approved by the*
14 *Commissioner. Each reduction must be calculated based on the*
15 *amount of the premium before any reduction in that premium is*
16 *made pursuant to subsection 1, and not on the amount of the*
17 *premium after it has been reduced.*

18 3. *The Commissioner shall review and approve or disapprove*
19 *a policy of insurance that offers a reduction in the premiums*
20 *pursuant to subsection 1. An insurer must receive written approval*
21 *from the Commissioner before delivering or issuing a policy with a*
22 *provision containing such a reduction.*

23 4. *An insurer may apply to the Commissioner to increase the*
24 *rates set pursuant to subsection 1 if those rates fail to provide a*
25 *fair and reasonable return to the insurer or are otherwise*
26 *confiscatory.*

27 5. *An application submitted by an insurer pursuant to*
28 *subsection 4 must contain:*

29 (a) *A detailed analysis of the reasons the reduced rates fail to*
30 *provide a fair and reasonable return to the insurer or are*
31 *otherwise confiscatory, including, without limitation, relevant*
32 *facts and provisions of law; and*

33 (b) *The proposed rates which the insurer believes are the*
34 *minimum rates that provide a fair and reasonable return to the*
35 *insurer and are otherwise not confiscatory.*

36 6. *After a hearing, the Commissioner may approve the*
37 *application of an insurer pursuant to subsection 4, if the*
38 *Commissioner finds that the reduced rates fail to provide a fair*
39 *and reasonable return to the insurer or are otherwise confiscatory.*
40 *Upon granting such approval, the Commissioner shall determine*
41 *the minimum rates that provide a fair and reasonable return to the*
42 *insurer and are not otherwise confiscatory.*

43 7. *An insurer who submits an application pursuant to*
44 *subsection 4 may charge the rates proposed in the application*



1 *until the Commissioner approves or disapproves the application. If*
2 *the Commissioner:*

3 *(a) Approves the application, the insurer shall immediately*
4 *begin to charge the rates determined by the Commissioner*
5 *pursuant to subsection 6 and refund any excess portion of*
6 *previously paid premiums, with interest.*

7 *(b) Disapproves the application, the insurer shall immediately*
8 *begin to charge the rates set pursuant to subsection 1 and refund*
9 *the excess portion of the previously paid premiums, with interest.*

10 *8. If an insurer submits an application pursuant to subsection*
11 *4, the insurer may not submit another application pursuant to*
12 *subsection 4 regarding the same reduced rate or rates sooner than*
13 *90 days after the date of the decision by the Commissioner of*
14 *approval or disapproval with regard to the first application.*

15 **Sec. 6.** The provisions of section 5 of this act apply to any
16 policy of insurance for liability of a motor vehicle which is issued or
17 renewed on or after July 1, 2005.

18 **Sec. 7.** The provisions of subsection 1 of NRS 354.599 do not
19 apply to any additional expenses of a local government that are
20 related to the provisions of this act.

21 **Sec. 8.** This act becomes effective on July 1, 2005.

