

SENATE BILL NO. 55—SENATOR TIFFANY

FEBRUARY 15, 2005

Referred to Committee on Transportation and Homeland Security

SUMMARY—Authorizes certain persons to arrange sale of certain governmental vehicles without being licensed as broker or dealer. (BDR 43-722)

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; authorizing a person who operates or does business as an advertising company to arrange the sale of certain governmental vehicles under certain circumstances without being licensed as a broker or dealer; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires a person to obtain a license from the Department of
2 Motor Vehicles before engaging in the activity of a broker of vehicles. (NRS
3 482.0127, 482.333) Existing law also requires a person to obtain a license from the
4 Department before engaging in the activity of a vehicle dealer. (NRS 482.020,
5 482.322)

6 This bill provides that a person who operates or does business as an advertising
7 company is not required to be licensed as a broker of vehicles or as a vehicle dealer
8 if the person engages in certain advertising activities to assist a governmental entity
9 in the sale of vehicles owned by the governmental entity in certain circumstances.

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
2 thereto a new section to read as follows:

3 *A person who operates or does business as an advertising*
4 *company is not required to obtain a license as a broker, broker of*



vehicles, dealer or vehicle dealer if his activities in selling and assisting to sell vehicles are limited to the following:

1. He takes photographs of vehicles owned by governmental entities and lists those vehicles for sale on a website on the Internet or its successor;

2. He does not alter, process or otherwise handle the certificates of title or bills of sale relating to the sale of the vehicles so listed;

3. He does not take possession of the vehicles so listed; and

4. He is not hired by a governmental entity on a contractual basis, but instead is paid for his services by receiving a percentage of the sales price of each vehicle so listed and sold.

Sec. 2. NRS 482.3161 is hereby amended to read as follows:

482.3161 1. A person shall not operate as a vehicle transporter in this State without a license issued by the Department.

2. The provisions of NRS 482.316 to 482.3175, inclusive, do not apply to a manufacturer, distributor, dealer, broker or rebuilder licensed pursuant to the provisions of NRS 482.318 to 482.363, inclusive ~~1~~, and section 1 of this act.

Sec. 3. NRS 482.322 is hereby amended to read as follows:

482.322 1. Except as otherwise provided in NRS 482.3225 ~~1~~ and section 1 of this act, a person shall not engage in the activities of a new vehicle dealer, used vehicle dealer, manufacturer, distributor or rebuilder in this State until he has been issued:

(a) A new vehicle dealer's, used vehicle dealer's, manufacturer's, distributor's, rebuilder's or lessor's license certificate or similar license or permit by every city within whose corporate limits he maintains an established place of business and by every county in which he maintains an established place of business outside the corporate limits of a city; and

(b) A license by the Department. The Department shall not issue a license to the person until he has been issued all certificates, licenses and permits required by paragraph (a).

2. A vehicle dealer's, manufacturer's or rebuilder's license issued pursuant to this chapter does not permit a person to engage in the business of a new or used mobile home dealer, manufacturer or rebuilder.

3. The Department shall investigate any applicant for a dealer's, manufacturer's, distributor's, rebuilder's or lessor's license certificate or license and complete an investigation report on a form provided by the Department.

Sec. 4. NRS 482.333 is hereby amended to read as follows:

482.333 1. ~~1A~~ Except as otherwise provided in section 1 of this act, a person shall not engage in the activity of a broker of



1 vehicles in this State without first having received a license from the
2 Department. Before issuing a license to a broker, the Department
3 shall require:

4 (a) An application, signed and verified by the applicant, stating
5 that the applicant desires to be licensed as a broker, his residential
6 address, his social security number and the address of his principal
7 place of business;

8 (b) A statement as to whether any previous application of the
9 applicant for a license as a vehicle dealer or broker has been denied
10 or whether such a license has been suspended or revoked;

11 (c) Payment of a nonrefundable license fee of \$125;

12 (d) For initial licensure, the submission of a complete set of the
13 applicant's fingerprints and written permission authorizing the
14 Department to forward those fingerprints to the Central Repository
15 for Nevada Records of Criminal History for submission to the
16 Federal Bureau of Investigation for its report; and

17 (e) Any other information the Department deems necessary.

18 ➤ A license issued pursuant to this section expires on December 31
19 of the year in which it was issued and may be renewed annually
20 upon the payment of a fee of \$50.

21 2. The Department may deny the issuance of, suspend or
22 revoke a license to engage in the activities of a broker of vehicles
23 upon any of the following grounds:

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

26 (b) Conviction of a felony in this State or any other state,
27 territory or nation.

28 (c) Material misstatement in the application.

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

30 (e) Failure or refusal to provide to the Department an
31 authorization for the disclosure of financial records for the business
32 as required pursuant to subsection 6.

33 (f) Willful failure to comply with a provision of the motor
34 vehicle laws of this State or a directive of the Director. For the
35 purpose of this paragraph, failure to comply with a directive of the
36 Director advising the licensee of his noncompliance with a provision
37 of the motor vehicle laws of this State or a regulation of the
38 Department, within 10 days after the receipt of the directive, is
39 prima facie evidence of willful failure to comply with the directive.

40 (g) Failure or refusal to furnish and keep in force any bond.

41 (h) Failure on the part of the licensee to maintain a fixed place
42 of business in this State.

43 (i) Failure or refusal by the licensee to pay or otherwise
44 discharge a final judgment against the licensee rendered and entered
45 against him, arising out of the misrepresentation of a vehicle, trailer



1 or semitrailer, or out of a fraud committed in connection with the
2 brokering of a vehicle, trailer or semitrailer.

3 (j) Failure of the licensee to maintain any other license or bond
4 required by a political subdivision of this State.

5 (k) Any other reason determined by the Director to be in the best
6 interests of the public.

7 ➡ The Director may deny the issuance of a license to an applicant
8 or revoke a license already issued if the Department is satisfied that
9 the applicant or licensee is not entitled thereto.

10 3. If an application for a broker's license has been denied, the
11 applicant may not reapply sooner than 6 months after the denial.

12 4. A broker's license must be posted in a conspicuous place on
13 the premises of the broker's principal place of business.

14 5. If any information submitted in the application for a broker's
15 license changes, the broker shall submit a written notice of the
16 change to the Department within 10 days after the change occurs.

17 6. Upon the receipt of any report or complaint alleging that an
18 applicant or a licensee has engaged in financial misconduct or has
19 failed to satisfy financial obligations related to the activity of a
20 broker of vehicles, the Department may require the applicant or
21 licensee to submit to the Department an authorization for the
22 disclosure of financial records for the business as provided in NRS
23 239A.090. The Department may use any information obtained
24 pursuant to such an authorization only to determine the suitability of
25 the applicant or licensee for initial or continued licensure.
26 Information obtained pursuant to such an authorization may be
27 disclosed only to those employees of the Department who are
28 authorized to issue a license to an applicant pursuant to NRS
29 482.333 to 482.334, inclusive, or to determine the suitability of an
30 applicant or a licensee for such licensure.

31 7. Except as otherwise provided in NRS 482.555, any person
32 who fails to comply with the provisions of this section is guilty of a
33 misdemeanor.

34 **Sec. 5.** NRS 482.333 is hereby amended to read as follows:

35 482.333 1. ~~[A]~~ *Except as otherwise provided in section 1 of*
36 *this act*, a person shall not engage in the activity of a broker of
37 vehicles in this State without first having received a license from the
38 Department. Before issuing a license to a broker, the Department
39 shall require:

40 (a) An application, signed and verified by the applicant, stating
41 that the applicant desires to be licensed as a broker, his residential
42 address and the address of his principal place of business;

43 (b) A statement as to whether any previous application of the
44 applicant for a license as a vehicle dealer or broker has been denied
45 or whether such a license has been suspended or revoked;



1 (c) Payment of a nonrefundable license fee of \$125;

2 (d) For initial licensure, the submission of a complete set of the
3 applicant's fingerprints and written permission authorizing the
4 Department to forward those fingerprints to the Central Repository
5 for Nevada Records of Criminal History for submission to the
6 Federal Bureau of Investigation for its report; and

7 (e) Any other information the Department deems necessary.

8 ➔ A license issued pursuant to this section expires on December 31
9 of the year in which it was issued and may be renewed annually
10 upon the payment of a fee of \$50.

11 2. The Department may deny the issuance of, suspend or
12 revoke a license to engage in the activities of a broker of vehicles
13 upon any of the following grounds:

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

16 (b) Conviction of a felony in this State or any other state,
17 territory or nation.

18 (c) Material misstatement in the application.

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

20 (e) Failure or refusal to provide to the Department an
21 authorization for the disclosure of financial records for the business
22 as required pursuant to subsection 6.

23 (f) Willful failure to comply with a provision of the motor
24 vehicle laws of this State or a directive of the Director. For the
25 purpose of this paragraph, failure to comply with a directive of the
26 Director advising the licensee of his noncompliance with a provision
27 of the motor vehicle laws of this State or a regulation of the
28 Department, within 10 days after the receipt of the directive, is
29 prima facie evidence of willful failure to comply with the directive.

30 (g) Failure or refusal to furnish and keep in force any bond.

31 (h) Failure on the part of the licensee to maintain a fixed place
32 of business in this State.

33 (i) Failure or refusal by the licensee to pay or otherwise
34 discharge a final judgment against the licensee rendered and entered
35 against him, arising out of the misrepresentation of a vehicle, trailer
36 or semitrailer, or out of a fraud committed in connection with the
37 brokering of a vehicle, trailer or semitrailer.

38 (j) Failure of the licensee to maintain any other license or bond
39 required by a political subdivision of this State.

40 (k) Any other reason determined by the Director to be in the best
41 interests of the public.

42 ➔ The Director may deny the issuance of a license to an applicant
43 or revoke a license already issued if the Department is satisfied that
44 the applicant or licensee is not entitled thereto.



1 3. If an application for a broker's license has been denied, the
2 applicant may not reapply sooner than 6 months after the denial.

3 4. A broker's license must be posted in a conspicuous place on
4 the premises of the broker's principal place of business.

5 5. If any information submitted in the application for a broker's
6 license changes, the broker shall submit a written notice of the
7 change to the Department within 10 days.

8 6. Upon the receipt of any report or complaint alleging that an
9 applicant or a licensee has engaged in financial misconduct or has
10 failed to satisfy financial obligations related to the activity of a
11 broker of vehicles, the Department may require the applicant or
12 licensee to submit to the Department an authorization for the
13 disclosure of financial records for the business as provided in NRS
14 239A.090. The Department may use any information obtained
15 pursuant to such an authorization only to determine the suitability of
16 the applicant or licensee for initial or continued licensure.
17 Information obtained pursuant to such an authorization may be
18 disclosed only to those employees of the Department who are
19 authorized to issue a license to an applicant pursuant to NRS
20 482.333 to 482.334, inclusive, or to determine the suitability of an
21 applicant or a licensee for such licensure.

22 7. Except as otherwise provided in NRS 482.555, any person
23 who fails to comply with the provisions of this section is guilty of a
24 misdemeanor.

25 **Sec. 6.** This act becomes effective on July 1, 2005.



