

ASSEMBLY BILL NO. 239—ASSEMBLYMEN KOIVISTO, ANDERSON,
BOBZIEN, CLABORN, DENIS, MCCLAIN, MORTENSON,
SEGERBLOM AND WOMACK

MARCH 2, 2007

Referred to Committee on Transportation

SUMMARY—Requires a vehicle dealer to notify the buyer of a vehicle service contract if the provider of the vehicle service contract ceases doing business in this State. (BDR 43-971)

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; requiring a vehicle dealer to notify the buyer of a vehicle service contract if the provider of the vehicle service contract ceases doing business in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 **Section 1** of this bill requires a vehicle dealer to notify the buyer of a vehicle
2 service contract in writing if the provider of the vehicle service contract ceases
3 doing business in this State.

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 **1. A vehicle dealer who has sold a vehicle service contract to**
4 **a buyer shall, within 30 days after receiving notice that the**
5 **provider of the vehicle service contract has ceased doing business**
6 **in this State, notify the buyer in writing of the fact that the**
7 **provider has ceased doing business in this State if the specified**
8 **period of the vehicle service contract has not yet expired.**

- 9 **2. As used in this section:**



* A B 2 3 9 *

(a) "Buyer" means the buyer of a vehicle service contract.

(b) "Provider" means a person who is obligated to a buyer of a vehicle service contract pursuant to the terms of the vehicle service contract to repair, replace or perform maintenance on, or to indemnify or reimburse the buyer for the costs of repairing, replacing or performing maintenance on, a motor vehicle.

(c) "Vehicle service contract" means a contract pursuant to which a provider, in exchange for separately stated consideration, is obligated for a specified period to a buyer to repair, replace or perform maintenance on, or indemnify or reimburse the buyer for the costs of repairing, replacing or performing maintenance on, a motor vehicle which is described in the vehicle service contract and which has an operational or structural failure as a result of a defect in materials, workmanship or normal wear and tear, including, without limitation, a contract that includes a provision for incidental payment of indemnity under limited circumstances, including, without limitation, towing, rental and emergency road service.

Sec. 2. NRS 482.319 is hereby amended to read as follows:

482.319 1. A natural person who applies for the issuance or renewal of a license issued pursuant to the provisions of NRS 482.318 to 482.363105, inclusive, *and section 1 of this act* shall submit to the Department the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Department shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the license; or

(b) A separate form prescribed by the Department.

3. A license may not be issued or renewed by the Department pursuant to the provisions of NRS 482.318 to 482.363105, inclusive, *and section 1 of this act* if the applicant is a natural person who:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by



1 the district attorney or other public agency enforcing the order for
2 the repayment of the amount owed pursuant to the order, the
3 Department shall advise the applicant to contact the district attorney
4 or other public agency enforcing the order to determine the actions
5 that the applicant may take to satisfy the arrearage.

6 **Sec. 3.** 1. This act becomes effective on October 1, 2007.

7 2. Section 2 of this act expires by limitation on the date on
8 which the provisions of 42 U.S.C. § 666 requiring each state to
9 establish procedures under which the state has authority to withhold
10 or suspend, or to restrict the use of professional, occupational and
11 recreational licenses of persons who:

12 (a) Have failed to comply with a subpoena or warrant relating to
13 a proceeding to determine the paternity of a child or to establish or
14 enforce an obligation for the support of a child; or

15 (b) Are in arrears in the payment for the support of one or more
16 children,

17 ➤ are repealed by the Congress of the United States.

