

ASSEMBLY BILL NO. 266—ASSEMBLYMEN ATKINSON, PARKS, ANDERSON, BOBZIEN, BUCKLEY, DENIS, GERHARDT, GOEDHART, GOICOECHEA, HORNE, KIHUEN, KIRKPATRICK, MANENDO, MARVEL, MCCLAIN, MORTENSON, MUNFORD, OCEGUERA, PIERCE, SEGERBLUM, SETTELMAYER, SMITH, STEWART AND WOMACK

MARCH 8, 2007

Referred to Committee on Transportation

SUMMARY—Makes various changes to provisions relating to salvage vehicles. (BDR 43-909)

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 the owner of a motor vehicle that has been declared a total loss to forward the endorsed title to the insurance company within 30 days of accepting a settlement; requiring the Department of Motor Vehicles to issue a salvage title to an insurance company for a salvage vehicle in the absence of an endorsed title in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that when an insurance company acquires a motor vehicle as a result of a settlement in which a motor vehicle has been declared a total loss, the owner of the motor vehicle must endorse and forward the title to the motor vehicle to the insurance company. The insurance company must then forward the endorsed title, together with an application for a salvage title to the Department of Motor Vehicles within 30 days after receipt of the endorsed title. (NRS 487.800) **Section 1** of this bill requires the owner of the motor vehicle who is relinquishing ownership to forward the endorsed title to the insurance company within 30 days of accepting the settlement.

Existing law provides that if an endorsed title is not available, any applicant may apply to the Department for a salvage title. The Department may examine the circumstances and review affidavits or other information and, if satisfied the applicant is entitled to a salvage title, issue the salvage title. (NRS 487.820) **Section 1** of this bill requires the Department to issue a salvage title to an insurance



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company if the insurance company submits an application, without an endorsed title, to the Department for a motor vehicle that has been declared a total loss together with documentation demonstrating that the insurance company has made at least two written attempts to obtain the endorsed title from the owner of the motor vehicle.

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

Section 1. NRS 487.800 is hereby amended to read as follows:

487.800 1. Except with respect to a nonrepairable vehicle, when an insurance company acquires a motor vehicle as a result of a settlement in which the motor vehicle is determined to be a salvage vehicle, the owner of the motor vehicle who is relinquishing ownership of the motor vehicle shall endorse the title of the motor vehicle and forward the endorsed title to the insurance company **within 30 days of accepting the settlement from the insurance company.** The insurance company or its authorized agent shall forward the endorsed title, together with an application for salvage title to the state agency within 30 days after receipt of the endorsed title.

2. *If the owner of the motor vehicle who is relinquishing ownership does not provide the endorsed title to the insurance company within 30 days following acceptance of the settlement pursuant to subsection 1, the insurance company shall, within a reasonable time, forward an application for a salvage title to the state agency. The state agency shall issue a salvage title to the insurance company for the vehicle upon receipt of:*

(a) *The application and endorsed title; or*

(b) *The application and documentation showing that the insurance company has made at least two written attempts to obtain the endorsed title.*

3. Except as otherwise provided in subsection 1, before any ownership interest in a salvage vehicle, except a nonrepairable vehicle, may be transferred, the owner or other person to whom the motor vehicle is titled:

(a) If the person has possession of the title to the vehicle, shall forward the endorsed title, together with an application for salvage title to the state agency within 30 days after the vehicle becomes a salvage vehicle.

(b) If the person does not have possession of the title to the vehicle and the title is held by a lienholder, shall notify the lienholder within 10 days after the vehicle becomes a salvage vehicle that the vehicle has become a salvage vehicle. The lienholder shall, within 30 days after receiving such notice, forward



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1 the title, together with an application for salvage title, to the state
2 agency.

3 ~~13-1~~ 4. An insurance company or its authorized agent may sell
4 a vehicle for which a total loss settlement has been made with the
5 properly endorsed title if the total loss settlement resulted from the
6 theft of the vehicle and the vehicle, when recovered, was not a
7 salvage vehicle.

8 ~~14-1~~ 5. An owner who has determined that a vehicle is a total
9 loss salvage vehicle may sell the vehicle with the properly endorsed
10 title obtained pursuant to this section, without making any repairs to
11 the vehicle, to a salvage pool, automobile auction, rebuilder,
12 automobile wrecker or a new or used motor vehicle dealer.

13 ~~15-1~~ 6. Except with respect to a nonrepairable vehicle, if a
14 salvage vehicle is rebuilt and restored to operation, the vehicle may
15 not be licensed for operation, displayed or offered for sale, or the
16 ownership thereof transferred, until there is submitted to the state
17 agency with the prescribed salvage title, an appropriate application,
18 other documents, including, without limitation, an affidavit from the
19 state agency attesting to the inspection and verification of the
20 vehicle identification number and the identification numbers, if any,
21 for parts used to repair the motor vehicle and fees required, together
22 with a certificate of inspection completed pursuant to NRS 487.860.

23 ~~16-1~~ 7. Except with respect to a nonrepairable vehicle, if a total
24 loss insurance settlement between an insurance company and any
25 person results in the retention of the salvage vehicle by that person,
26 before the execution of the total loss settlement, the insurance
27 company or its authorized agent shall:

28 (a) Obtain, upon an application for salvage title, the signature of
29 the person who is retaining the salvage vehicle;

30 (b) Append to the application for salvage title the title to the
31 motor vehicle or an affidavit stating that the original title has been
32 lost; and

33 (c) Apply to the state agency for a salvage title on behalf of the
34 person who is retaining the salvage vehicle.

35 ~~17-1~~ 8. If the state agency determines that a salvage vehicle
36 retained pursuant to subsection 5 is titled in another state or territory
37 of the United States, the state agency shall notify the appropriate
38 authority of that state or territory that the owner has retained the
39 salvage vehicle.

40 ~~18-1~~ 9. A person who retains a salvage vehicle pursuant to
41 subsection 6 may not transfer any ownership interest in the vehicle
42 unless he has received a salvage title.

43 **Sec. 2.** NRS 487.820 is hereby amended to read as follows:

44 487.820 1. ~~11-1~~ *Except as otherwise provided in subsection 2*
45 *of NRS 487.800, if* the applicant for a salvage title is unable to



- 1 furnish the certificates of title and registration last issued for the
2 vehicle, the state agency may accept the application, examine the
3 circumstances of the case and require the filing of suitable affidavits
4 or other information or documents. If satisfied that the applicant is
5 entitled to a salvage title, the state agency may issue the salvage
6 title.
- 7 2. No duplicate certificate of title or registration may be issued
8 when a salvage title is applied for, and no fees are required for the
9 affidavits of any stolen, lost or damaged certificate, or duplicates
10 thereof, unless the vehicle is subsequently registered.

