

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 certificate of title to the insurance company within 30 days after accepting a settlement; requiring the Department of Motor Vehicles to issue a salvage title or nonrepairable vehicle certificate to an insurance company for a salvage vehicle in the absence of an endorsed certificate of title under 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 certificate of title to the motor vehicle to the insurance company. The insurance company must then forward the endorsed certificate of title, together with an application for a salvage title to the Department of Motor Vehicles within 30 days after receipt of the endorsed certificate of title. (NRS 487.800) **Section 2** of this bill requires the owner of the motor vehicle who is relinquishing ownership to forward the endorsed certificate of title to the insurance company within 30 days after accepting the settlement.

Existing law provides that if an endorsed certificate of 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



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satisfied the applicant is entitled to a salvage title, issue the salvage title. (NRS 487.820) **Section 2** of this bill requires the Department to issue a salvage title or nonrepairable vehicle certificate to an insurance company if the insurance company submits an application, without an endorsed certificate of title, to the Department for a motor vehicle that has been declared a total loss together with certain documentation.

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

Section 1. NRS 487.480 is hereby amended to read as follows:
487.480 1. Before an operator of a salvage pool sells any vehicle subject to registration pursuant to the laws of this State, he must have in his possession the certificate of title for a vehicle obtained pursuant to subsection ~~2~~ 3 of NRS 487.800 or the salvage title for that vehicle. The Department shall not issue a certificate of registration or certificate of title for a vehicle with the same identification number if the vehicle was manufactured in the 5 years preceding the date on which the salvage title was issued, unless the Department authorizes the restoration of the vehicle pursuant to subsection 2 of NRS 482.553.

2. Upon sale of the vehicle, the operator of the salvage pool shall provide a salvage title to the licensed automobile wrecker, dealer of new or used motor vehicles or rebuilder who purchased the vehicle.

Sec. 2. NRS 487.800 is hereby amended to read as follows:

487.800 1. ~~Except with respect to a nonrepairable vehicle, when~~ *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 *certificate of* title of the motor vehicle and forward the endorsed *certificate of* title to the insurance company ~~and~~ *within 30 days after accepting the settlement from the insurance company.* The insurance company or its authorized agent shall forward the endorsed *certificate of* title, together with an application for a salvage title *or nonrepairable vehicle certificate*, to the state agency within ~~30~~ 60 days after receipt of the endorsed *certificate of* title.

2. *If the owner of the motor vehicle who is relinquishing ownership does not provide the endorsed certificate of title to the insurance company within 30 days after accepting the settlement pursuant to subsection 1, the insurance company shall, within 60 days after the expiration of that 30-day period, forward an application for a salvage title or nonrepairable vehicle certificate to the state agency. The state agency shall issue a salvage title or*



1 *nonrepairable vehicle certificate to the insurance company for the*
2 *vehicle upon receipt of:*

3 (a) *The application;*

4 (b) *A motor vehicle inspection certificate signed by a*
5 *representative of the Department or, as one of the authorized*
6 *agents of the Department, by a peace officer, dealer, rebuilder,*
7 *automobile wrecker, operator of a salvage pool or garageman;*

8 (c) *Documentation that the insurance company has made at*
9 *least two written attempts by certified mail, return receipt*
10 *requested, or by use of a delivery service with a tracking system, to*
11 *obtain the endorsed certificate of title; and*

12 (d) *Proof satisfactory to the state agency that the certificate of*
13 *title was required to be surrendered to the insurance company as*
14 *part of the settlement.*

15 3. Except as otherwise provided in ~~subsection 1,~~ *subsections*
16 *1 and 2*, before any ownership interest in a salvage vehicle, except a
17 nonrepairable vehicle, may be transferred, the owner or other person
18 to whom the motor vehicle is titled:

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

23 (b) If the person does not have possession of the *certificate of*
24 title to the vehicle and the *certificate of* title is held by a lienholder,
25 shall notify the lienholder within 10 days after the vehicle becomes
26 a salvage vehicle that the vehicle has become a salvage vehicle. The
27 lienholder shall, within 30 days after receiving such notice, forward
28 the *certificate of* title, together with an application for salvage title,
29 to the state agency.

30 ~~3.~~ 4. An insurance company or its authorized agent may sell
31 a vehicle for which a total loss settlement has been made with the
32 properly endorsed *certificate of* title if the total loss settlement
33 resulted from the theft of the vehicle and the vehicle, when
34 recovered, was not a salvage vehicle.

35 ~~4.~~ 5. An owner who has determined that a vehicle is a total
36 loss salvage vehicle may sell the vehicle with the properly endorsed
37 *certificate of* title obtained pursuant to this section, without making
38 any repairs to the vehicle, to a salvage pool, automobile auction,
39 rebuilder, automobile wrecker or a new or used motor vehicle
40 dealer.

41 ~~5.~~ 6. Except with respect to a nonrepairable vehicle, if a
42 salvage vehicle is rebuilt and restored to operation, the vehicle may
43 not be licensed for operation, displayed or offered for sale, or the
44 ownership thereof transferred, until there is submitted to the state
45 agency with the prescribed salvage title, an appropriate application,



1 other documents, including, without limitation, an affidavit from the
2 state agency attesting to the inspection and verification of the
3 vehicle identification number and the identification numbers, if any,
4 for parts used to repair the motor vehicle and fees required, together
5 with a certificate of inspection completed pursuant to NRS 487.860.

6 ~~16-1~~ 7. Except with respect to a nonrepairable vehicle, if a total
7 loss insurance settlement between an insurance company and any
8 person results in the retention of the salvage vehicle by that person,
9 before the execution of the total loss settlement, the insurance
10 company or its authorized agent shall:

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

13 (b) Append to the application for salvage title the *certificate of*
14 title to the motor vehicle or an affidavit stating that the original
15 *certificate of* title has been lost; and

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

18 ~~17-1~~ 8. If the state agency determines that a salvage vehicle
19 retained pursuant to subsection ~~15-1~~ 6 is titled in another state or
20 territory of the United States, the state agency shall notify the
21 appropriate authority of that state or territory that the owner has
22 retained the salvage vehicle.

23 ~~18-1~~ 9. A person who retains a salvage vehicle pursuant to
24 subsection ~~16-1~~ 7 may not transfer any ownership interest in the
25 vehicle unless he has received a salvage title.

26 **Sec. 3.** NRS 487.820 is hereby amended to read as follows:

27 487.820 1. ~~14-1~~ *Except as otherwise provided in subsection 2*
28 *of NRS 487.800, if* the applicant for a salvage title is unable to
29 furnish the certificates of title and registration last issued for the
30 vehicle, the state agency may accept the application, examine the
31 circumstances of the case and require the filing of suitable affidavits
32 or other information or documents. If satisfied that the applicant is
33 entitled to a salvage title, the state agency may issue the salvage
34 title.

35 2. No duplicate certificate of title or registration may be issued
36 when a salvage title is applied for, and no fees are required for the
37 affidavits of any stolen, lost or damaged certificate, or duplicates
38 thereof, unless the vehicle is subsequently registered.

39 **Sec. 4.** This act becomes effective upon passage and approval.

