

ASSEMBLY BILL NO. 2—ASSEMBLYMAN ANDERSON

PREFILED DECEMBER 12, 2006

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to automotive repairs.
(BDR 52-92)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
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 automotive repairs; requiring a garage or body shop to repair a motor vehicle in accordance with the specifications of the manufacturer of the motor vehicle and the written estimate or statement of the cost of repairs most recently agreed upon by the garage or body shop and the person authorizing the repairs; requiring a body shop to comply with certain other requirements relating to the repair of a motor vehicle; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a garage is required to display a sign in a conspicuous area of the garage setting forth the rights of the customer, including, without limitation, the right to receive a written estimate of charges and to inspect all replaced parts. (NRS 597.490) In addition, garages that perform repairs of \$50 or more on motor vehicles are required by existing law to provide the person authorizing the repairs with a written estimate of the total cost to repair the motor vehicle. (NRS 597.510) If additional charges are required to perform the repairs, the garage is required to obtain the consent of the person authorizing the repairs before it may perform the repairs for the additional charges. (NRS 597.520, 597.540) A person authorizing repairs of a motor vehicle may waive the requirement for a written estimate or approval of additional charges. (NRS 597.530)

Section 1 of this bill requires garages and body shops to perform repairs to a motor vehicle in accordance with the specifications of the manufacturer of the motor vehicle, if any, and the written estimate or statement of the cost of the repairs that is most recently agreed upon by the body shop or garage and the person authorizing the repairs.



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Sections 2-10 of this bill make existing provisions of law that are applicable to garages and garagemen also apply to body shops. Those provisions include, without limitation, the requirement to post a sign in a conspicuous area of the body shop setting forth the rights of customers of the body shop.

Sections 11 and 12 of this bill authorize injunctive relief and civil penalties for a violation of the provisions of **section 1** of this bill. **Section 16** of this bill authorizes the Department of Motor Vehicles to refuse to issue a license or to suspend, revoke or refuse to renew the license of a body shop for willful failure to comply with the provisions of **section 1** of this bill.

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

Section 1. Chapter 597 of NRS is hereby amended by adding thereto a new section to read as follows:

If a body shop or garage performs repairs on a motor vehicle, the body shop or garage shall perform the repairs in accordance with any specifications of the manufacturer of the motor vehicle, and the written estimate or statement of the cost of the repairs that is most recently agreed upon by the body shop or garage and the person authorizing repairs.

Sec. 2. NRS 597.480 is hereby amended to read as follows:

597.480 As used in NRS 597.480 to 597.590, inclusive, *and section 1 of this act*, unless the context otherwise requires:

1. *“Body shop” has the meaning ascribed to it in NRS 487.600.*

2. “Garage” has the meaning ascribed to it in NRS 487.540.

~~[2-]~~ 3. “Garageman” has the meaning ascribed to it in NRS 487.545.

~~[3-]~~ 4. “Motor vehicle” means:

- (a) A motorcycle as defined in NRS 482.070;
- (b) A motortruck as defined in NRS 482.073 if the gross weight of the vehicle does not exceed 10,000 pounds;
- (c) A passenger car as defined in NRS 482.087;
- (d) A mini motor home as defined in NRS 482.066;
- (e) A motor home as defined in NRS 482.071; and
- (f) A recreational vehicle as defined in NRS 482.101.

~~[4-]~~ 5. “Person authorizing repairs” means a person who uses the services of a garage. The term includes an insurance company, its agents or representatives, authorizing repairs to motor vehicles under a policy of insurance.

Sec. 3. NRS 597.490 is hereby amended to read as follows:

597.490 1. Each garageman shall display conspicuously in those areas of his place of business frequented by persons seeking repairs on motor vehicles a sign, not less than 22 inches by 28 inches in size, setting forth in boldface letters the following:



STATE OF NEVADA
REGISTERED GARAGE

THIS GARAGE IS REGISTERED WITH THE
DEPARTMENT OF MOTOR VEHICLES

NEVADA AUTOMOTIVE REPAIR CUSTOMER
BILL OF RIGHTS

AS A CUSTOMER IN NEVADA:

YOU have the right to receive repairs from a business that is
REGISTERED with the Department of Motor Vehicles that will
ensure the proper repair of your vehicle. (NRS 597.490)

YOU have the right to receive a **WRITTEN ESTIMATE** of
charges for repairs made to your vehicle which exceed \$50.
(NRS 597.510)

YOU have the right to read and understand all documents and
warranties **BEFORE YOU SIGN THEM.** (NRS 597.490)

YOU have the right to **INSPECT ALL REPLACED PARTS** and
accessories that are covered by a warranty and for which a charge is
made. (NRS 597.550)

YOU have the right to request that all replaced parts and accessories
that are not covered by a warranty **BE RETURNED TO YOU AT
THE TIME OF SERVICE.** (NRS 597.550)

YOU have the right to require authorization **BEFORE** any
additional repairs are made to your vehicle if the charges for those
repairs exceed 20% of the original estimate or \$100, whichever is
less. (NRS 597.520)

YOU have the right to receive a **COMPLETED STATEMENT
OF CHARGES** for repairs made to your vehicle. (NRS 487.035)

YOU have the right to a **FAIR RESOLUTION** of any dispute that
develops concerning the repair of your vehicle. (NRS 597.490)



FOR MORE INFORMATION PLEASE CONTACT:
THE DEPARTMENT OF BUSINESS AND INDUSTRY
CONSUMER AFFAIRS DIVISION
IN CLARK COUNTY: (702) 486-7355
ALL OTHER AREAS TOLL-FREE: 1-800-326-5202

2. *Each body shop shall display conspicuously in those areas of its place of business frequented by persons seeking repairs on motor vehicles a sign, not less than 22 inches by 28 inches in size, setting forth in boldface letters the following:*

STATE OF NEVADA

LICENSED BODY SHOP

**THIS BODY SHOP IS LICENSED BY THE
DEPARTMENT OF MOTOR VEHICLES**

**NEVADA AUTOMOTIVE REPAIR CUSTOMER
BILL OF RIGHTS**

AS A CUSTOMER IN NEVADA:

YOU have the right to receive repairs from a business that is LICENSED with the Department of Motor Vehicles that will ensure the proper repair of your vehicle. (NRS 597.490)

YOU have the right to receive a WRITTEN ESTIMATE of charges for repairs made to your vehicle which exceed \$50. (NRS 597.510)

YOU have the right to read and understand all documents and warranties BEFORE YOU SIGN THEM. (NRS 597.490)

YOU have the right to INSPECT ALL REPLACED PARTS and accessories that are covered by a warranty and for which a charge is made. (NRS 597.550)

YOU have the right to request that all replaced parts and accessories that are not covered by a warranty BE RETURNED TO YOU AT THE TIME OF SERVICE. (NRS 597.550)



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YOU have the right to require authorization BEFORE any additional repairs are made to your vehicle if the charges for those repairs exceed 20% of the original estimate or \$100, whichever is less. (NRS 597.520)

YOU have the right to receive a COMPLETED STATEMENT OF CHARGES for repairs made to your vehicle. (NRS 487.035)

YOU have the right to a FAIR RESOLUTION of any dispute that develops concerning the repair of your vehicle. (NRS 597.490)

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3. The sign required pursuant to the provisions of subsection 1 or 2 must include a replica of the great seal of the State of Nevada. The seal must be 2 inches in diameter and be centered on the face of the sign directly above the words "STATE OF NEVADA."

~~3-1~~ **4.** Any person who violates the provisions of this section is guilty of a misdemeanor.

Sec. 4. NRS 597.500 is hereby amended to read as follows:

597.500 Whenever any **body shop or** garageman accepts or assumes control of a motor vehicle for the purpose of making or completing any repair, ~~the~~ **the body shop or garageman** shall comply with the provisions of NRS 597.510 to 597.570, inclusive ~~1~~ **, and section 1 of this act.**

Sec. 5. NRS 597.510 is hereby amended to read as follows:

597.510 1. Except as otherwise provided in NRS 597.530, a person requesting or authorizing the repair of a motor vehicle that is more than \$50 must be furnished an estimate or statement signed by the person making the estimate or statement on behalf of the **body shop or** garageman, indicating the total charge for the performance of the work necessary to accomplish the repair, including the charge for labor and all parts and accessories necessary to perform the work.

2. If the estimate is for the purpose of diagnosing a malfunction, the estimate must include the cost of:

(a) Diagnosis and disassembly; and



(b) Reassembly, if the person does not authorize the repair.

3. The provisions of this section do not require a *body shop or* garageman to reassemble a motor vehicle if he determines that the reassembly of the motor vehicle would render the vehicle unsafe to operate.

Sec. 6. NRS 597.520 is hereby amended to read as follows:

597.520 Except as otherwise provided in NRS 597.530, if it is determined that additional charges are required to perform the repair authorized, and those additional charges exceed, by 20 percent or \$100, whichever is less, the amount set forth in the estimate or statement required to be furnished pursuant to the provisions of NRS 597.510, the *body shop or* garageman shall notify the ~~{person authorizing the repairs}~~ *owner and insurer of the motor vehicle* of the amount of those additional charges.

Sec. 7. NRS 597.540 is hereby amended to read as follows:

597.540 1. ~~{A person authorizing repairs}~~ *An owner or insurer of a motor vehicle* who has been notified of additional charges pursuant to NRS 597.520 shall:

(a) Authorize the performance of the repair at the additional expense; or

(b) Without delay, and upon payment of the authorized charges, take possession of the motor vehicle.

2. Until the election provided for in subsection 1 has been made, the *body shop or* garageman shall not undertake any repair which would involve such additional charges.

3. If the person elects to take possession of the motor vehicle but fails to take possession within a 24-hour period after ~~{such}~~ *the* election, the *body shop or* garageman may charge for storage of the vehicle.

Sec. 8. NRS 597.550 is hereby amended to read as follows:

597.550 1. Whenever the repair work performed on a motor vehicle requires the replacement of any parts or accessories, the *body shop or* garageman shall, at the request of the person authorizing the repairs or any person entitled to possession of the motor vehicle, deliver to ~~{such}~~ *the* person all parts and accessories replaced as a result of the work done.

2. The provisions of subsection 1 do not apply to parts or accessories which must be returned to a manufacturer or distributor under a warranty arrangement or which are subject to exchange, but the customer on request is entitled to be shown ~~{such}~~ *the* warranty parts for which a charge is made.

Sec. 9. NRS 597.560 is hereby amended to read as follows:

597.560 The *body shop or* garageman shall retain copies of any estimate, statement or waiver required by NRS 597.510 to 597.550, inclusive, as an ordinary business record of the *body shop*



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1 ~~or~~ garage, for a period of not less than 1 year ~~[from]~~ *after* the date
2 ~~[such]~~ *the* estimate, statement or waiver is signed.

3 **Sec. 10.** NRS 597.570 is hereby amended to read as follows:

4 597.570 In every instance where charges are made for the
5 repair of a motor vehicle ~~[]~~ *by a garageman*, the garageman making
6 the repairs shall comply with the provisions of NRS 487.035 as well
7 as the provisions of NRS 597.510 to 597.550, inclusive. ~~[He]~~ *A*
8 *garageman* is not entitled to detain a motor vehicle by virtue of any
9 common law or statutory lien, or otherwise enforce such *a* lien, ~~[nor~~
10 ~~shall he have the right]~~ *or* to sue on any contract for repairs made by
11 him, unless he has complied with the requirements of NRS 597.510
12 to 597.550, inclusive, in addition to those of NRS 487.035.

13 **Sec. 11.** NRS 597.580 is hereby amended to read as follows:

14 597.580 The Attorney General or any district attorney may
15 bring an action in any court of competent jurisdiction in the name of
16 the State of Nevada on the complaint of the Commissioner of
17 Consumer Affairs or of any person allegedly aggrieved by such
18 violation to enjoin any violation of the provisions of NRS 597.510
19 to 597.570, inclusive ~~[]~~, *and section 1 of this act.*

20 **Sec. 12.** NRS 597.590 is hereby amended to read as follows:

21 597.590 Any person who knowingly violates any provision of
22 NRS 597.500 to 597.570, inclusive, *and section 1 of this act* is
23 liable, in addition to any other penalty or remedy which may be
24 provided by law, to a civil penalty of not more than \$500 for each
25 offense, which may be recovered by civil action on complaint of the
26 Commissioner of Consumer Affairs, the Director of the Department
27 of Business and Industry or the district attorney.

28 **Sec. 13.** NRS 598.990 is hereby amended to read as follows:

29 598.990 The Division shall:

30 1. Establish and maintain a toll-free telephone number for
31 persons to report to the Division information concerning alleged
32 violations of NRS 487.035, 487.530 to 487.570, inclusive, 597.480
33 to 597.590, inclusive, and *section 1 of this act, and* 598.0903 to
34 598.0999, inclusive.

35 2. Develop a program to provide information to the public
36 concerning:

37 (a) The duties imposed on a *body shop by the provisions of*
38 *NRS 487.035, 487.610 to 487.690, inclusive, and 597.480 to*
39 *597.590, inclusive, and section 1 of this act;*

40 (b) *The duties imposed on a* garageman by the provisions of
41 NRS 487.035, 487.530 to 487.570, inclusive, and 597.480 to
42 597.590, inclusive ~~[]~~

43 ~~—(b)]~~, *and section 1 of this act;*

44 (c) The rights and protections established for a person who uses
45 the services of a garage;



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~~(e)~~ (d) The repair of motor vehicles; and
~~(d)~~ (e) Deceptive trade practices relating to the repair of motor vehicles by a garage.

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. NRS 487.650 is hereby amended to read as follows:

487.650 1. The Department may refuse to issue a license or, after notice and hearing, may suspend, revoke or refuse to renew a license to operate a body shop upon any of the following grounds:

(a) Failure of the applicant or licensee to have or maintain an established place of business in this State.

(b) Conviction of the applicant or licensee or an employee of the applicant or licensee of a felony, or of a misdemeanor or gross misdemeanor for a violation of a provision of this chapter.

(c) Any material misstatement in the application for the license.

(d) Willful failure of the applicant or licensee to comply with the motor vehicle laws of this State and NRS 487.035, 487.610 to 487.690, inclusive, or 597.480 to 597.590, inclusive ~~(d)~~, and *section 1 of this act*.

(e) Failure or refusal by the licensee to pay or otherwise discharge any final judgment against him arising out of the operation of the body shop.

(f) Failure or refusal to provide to the Department an authorization for the disclosure of financial records for the business as required pursuant to subsection 2.

(g) A finding of guilt by a court of competent jurisdiction in a case involving a fraudulent inspection, purchase, sale or transfer of a salvage vehicle by the applicant or licensee or an employee of the applicant or licensee.

(h) An improper, careless or negligent inspection of a salvage vehicle pursuant to NRS 487.800 by the applicant or licensee or an employee of the applicant or licensee.

(i) A false statement of material fact in a certification of a salvage vehicle pursuant to NRS 487.800 or a record regarding a salvage vehicle by the applicant or licensee or an employee of the applicant or licensee.

2. Upon the receipt of any report or complaint alleging that an applicant or a licensee has engaged in financial misconduct or has failed to satisfy financial obligations related to the operation of a body shop, the Department may require the applicant or licensee to submit to the Department an authorization for the disclosure of financial records for the business as provided in NRS 239A.090. The Department may use any information obtained pursuant to such an authorization only to determine the suitability of the applicant or licensee for initial or continued licensure. Information obtained



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1 pursuant to such an authorization may be disclosed only to those
2 employees of the Department who are authorized to issue a license
3 to an applicant pursuant to NRS 487.610 to 487.690, inclusive, or to
4 determine the suitability of an applicant or a licensee for ~~such~~
5 licensure.

6 3. As used in this section, “salvage vehicle” has the meaning
7 ascribed to it in NRS 487.770.

8 **Sec. 17.** (Deleted by amendment.)

