

CHAPTER.....

AN ACT relating to motor vehicles; amending provisions relating to the wrecking and salvaging of vehicles; requiring that a transferor of an interest in a motor vehicle indicate if the vehicle is a rebuilt vehicle or a reconstructed vehicle; providing that a person shall be deemed to be engaged in a deceptive trade practice for certain activities involving the repair of a motor vehicle under certain circumstances; creating a revolving account for the Bureau of Consumer Protection in the Office of the Attorney General; authorizing the Commissioner of Consumer Affairs or the Director of the Department of Motor Vehicles to request an undercover investigation of a person for allegedly engaging in certain deceptive trade practices or violating certain provisions governing garages; providing a penalty; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 3** of this bill sets forth the conditions under which an automobile wrecker, operator of a salvage pool, garageman or owner of a body shop is unfit to hold a license or registration, as applicable.

**Section 4** of this bill set forth the conditions under which a salvage vehicle is considered to be in its entirety as opposed to when it is considered to be in parts.

**Section 37** of this bill requires that a transferor of an interest in a motor vehicle indicate if the motor vehicle is a rebuilt or reconstructed motor vehicle.

Existing law provides for regulation of garages and garagemen by the Commissioner of Consumer Affairs and their registration with the Department of Motor Vehicles. (NRS 487.530-487.570, 597.480-597.590) **Sections 39-44** of this bill make certain provisions concerning deceptive trade practices applicable to garages and garagemen. **Section 41** of this bill authorizes the Commissioner or the Director of the Department to request an undercover investigation of a person by the Bureau of Consumer Protection in the Office of the Attorney General for alleged violations of those provisions. **Section 31** of this bill authorizes the Director to suspend, revoke or refuse to renew a registration to operate a garage if he determines that the garage has engaged in a deceptive trade practice or violated certain provisions governing garages. **Section 44** of this bill requires the Commissioner to prepare an annual report concerning garages and garagemen.

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

**Section 1.** Chapter 487 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 19, inclusive, of this act.

**Sec. 2.** *As used in this section, NRS 487.050 to 487.200, inclusive, and sections 3 and 4 of this act, unless the context otherwise requires, "automobile wrecker" or "wrecker" means a person who obtains a license to dismantle, scrap, process or wreck any vehicle, including, without limitation, wrecked, salvage, nonrepairable, abandoned and junk vehicles, which includes, without limitation, removing or selling an individual part or parts of such a vehicle or crushing, shredding or dismantling such a vehicle to be disposed of as scrap metal.*

**Sec. 3.** *Evidence of unfitness of an applicant, registrant or licensee for purposes of denial, suspension or revocation of or failure to renew a license or registration as an automobile wrecker, operator of a salvage pool, garageman or owner of a body shop may consist of, but is not limited to, the applicant, registrant or licensee:*

*1. Purchasing, selling, dismantling, disposing of or having in his possession any vehicle which he knows, or a reasonable person should know, is stolen or otherwise illegally appropriated.*

*2. Being the former holder of, or being a partner, officer, director, owner or manager involved in management decisions of, an automobile wrecker that held a license issued pursuant to this chapter which was revoked for cause and never reissued or was suspended upon terms which were never fulfilled.*

*3. Defrauding or attempting to defraud the State or a political subdivision of the State of any taxes or fees in connection with the sale or transfer of a vehicle.*

*4. Forging the signature of the registered or legal owner of an abandoned vehicle on any document that releases the interest of the owner in the abandoned vehicle.*

*5. Forging the signature of the registered or legal owner of a vehicle on a certificate of title or other document to obtain or transfer ownership in that vehicle.*

*6. Willfully failing to deliver to a purchaser a salvage title to a vehicle that the applicant, registrant or licensee has sold.*

*7. Refusing to allow any peace officer or agent of the state agency to inspect, during normal business hours, all books, records and files of the applicant, registrant or licensee which are maintained within the State.*

8. *Committing any fraud which includes, without limitation:*
  - (a) *Misrepresenting in any manner, whether intentional or grossly negligent, a material fact.*
  - (b) *Intentionally failing to disclose a material fact.*
9. *Willfully failing to comply with any regulation adopted by the Department.*

**Sec. 4.** 1. *Whenever an entire salvage vehicle is sold to any person by a licensed automobile wrecker, the automobile wrecker shall deliver a properly endorsed salvage title to the buyer for such an entire salvage vehicle.*

2. *A salvage vehicle shall be deemed an entire salvage vehicle:*

(a) *If all the following essential components are included and identifiable as coming from the same salvage vehicle:*

- (1) *The cowl assembly;*
- (2) *The floor pan assembly;*
- (3) *The passenger compartment;*
- (4) *The rear clip assembly; and*
- (5) *The roof assembly; and*

(b) *In addition to the essential components required pursuant to paragraph (a):*

(1) *If the salvage vehicle was manufactured with a conventional frame, the conventional frame is included and identifiable as coming from the same salvage vehicle;*

(2) *If the salvage vehicle was manufactured with a unibody, the complete front inner structure is included and identifiable as coming from the same salvage vehicle;*

(3) *If the salvage vehicle is a truck which was manufactured with a conventional frame, the conventional frame and the truck cab assembly are included and identifiable as coming from the same salvage vehicle; and*

(4) *If the salvage vehicle is a truck which was manufactured with a unibody, the complete front inner structure and the truck cab assembly are included and identifiable as coming from the same salvage vehicle.*

3. *A salvage vehicle that does not satisfy the requirements of subsection 2 is deemed a part or parts of an entire salvage vehicle.*

**Secs. 5-20.** (Deleted by amendment.)

**Sec. 21.** NRS 487.001 is hereby amended to read as follows:

487.001 1. The provisions of this chapter, except NRS ~~[487.035 and]~~ 487.290, apply to mobile homes although not licensed or registered.

2. As used in this section, "mobile home" means a vehicular structure, built on a chassis or frame, which is designed to be used with or without a permanent foundation and is capable of being drawn by a motor vehicle. The term does not include a recreational park trailer as defined in NRS 482.1005.

**Sec. 22.** NRS 487.160 is hereby amended to read as follows:

487.160 1. The Department ~~[, after notice and hearing,]~~ may suspend, revoke or refuse to renew a license of an automobile wrecker upon determining that the automobile wrecker:

- (a) Is not lawfully entitled thereto;
- (b) Has made, or knowingly or negligently permitted, any illegal use of that license;
- (c) Has failed to return a salvage title to the state agency when and as required of him by NRS 487.710 to 487.890, inclusive; or
- (d) Has failed to surrender to the state agency certificates of title for vehicles before beginning to dismantle or wreck the vehicles.

2. The applicant or licensee may, within 30 days after receipt of the notice of refusal, suspension or revocation, petition the Department in writing for a hearing.

3. Hearings under this section and appeals therefrom must be conducted in the manner prescribed in NRS 482.353 and 482.354.

4. The Department may suspend, revoke or refuse to renew a license of an automobile wrecker, or *may* deny a license to an applicant therefor, *for any reason determined by the Director to be in the best interest of the public, or* if the licensee or applicant:

- (a) Does not have or maintain an established place of business in this State.
- (b) Made a material misstatement in any application.
- (c) Willfully fails to comply with any applicable provision of this chapter.
- (d) Fails to furnish and keep in force any bond required by NRS 487.050 to 487.200, inclusive.
- (e) Fails to discharge any final judgment entered against him when the judgment arises out of any misrepresentation of a vehicle, trailer or semitrailer.
- (f) Fails to maintain any license or bond required by a political subdivision of this State.
- (g) Has been convicted of a felony.
- (h) Has been convicted of a misdemeanor or gross misdemeanor for a violation of a provision of this chapter.
- (i) Fails or refuses to provide to the Department an authorization for the disclosure of financial records for the business as required pursuant to subsection 7.

*(j) Knowingly submits or causes to be submitted any false, forged or otherwise fraudulent document to the Department to obtain a lien, title, salvage title or certificate of ownership, or any duplicate thereof, for a vehicle.*

*(k) Knowingly causes or allows a false, forged or otherwise fraudulent document to be maintained as a record of his business.*

*(l) Interferes with or refuses to allow an agent of the Department or any peace officer access to and, upon demand, the opportunity to examine any record held in conjunction with the operation of the wrecker.*

*(m) Displays evidence of unfitness for a license pursuant to section 3 of this act.*

5. If an application for a license as an automobile wrecker is denied, the applicant may not submit another application for at least 6 months after the date of the denial.

6. The Department may refuse to review a subsequent application for licensing submitted by any person who violates any provision of this chapter.

7. 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 any financial obligation related to the business of dismantling, scrapping, processing or wrecking of vehicles, 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 pursuant to such an authorization may be disclosed only to those employees of the Department who are authorized to issue a license to an applicant pursuant to NRS 487.050 to 487.200, inclusive, *and sections 2, 3 and 4 of this act* or to determine the suitability of an applicant or a licensee for such licensure.

8. For the purposes of this section, failure to adhere to the directives of the state agency advising the licensee of his noncompliance with any provision of NRS 487.050 to 487.200, inclusive, *and sections 2, 3 and 4 of this act* or NRS 487.710 to 487.890, inclusive, or regulations of the state agency, within 10 days after the receipt of those directives, is prima facie evidence of willful failure to comply.

**Sec. 23.** NRS 487.170 is hereby amended to read as follows:

487.170 Every licensed automobile wrecker, rebuilder or scrap processor shall maintain a record of all vehicles *acquired and*

*processed, junked, dismantled ~~for wrecked, which contains the name and~~, wrecked, sold as a part or parts or disposed of as scrap metal. The records must be open to inspection during business hours by any peace officer or investigator of the state agency. Every vehicle record must contain:*

*1. The name, address and original signature of the person from whom the vehicle was ~~purchased or acquired and the date thereof, the~~ acquired, until such time as the original signature is submitted to the Department, at which time the record must contain a duplicate of the signature;*

*2. The date the vehicle was acquired;*

*3. The manner in which the vehicle was acquired by the wrecker, rebuilder or scrap processor;*

*4. The registration number last assigned to the vehicle ; and ~~a~~*

*5. A brief description of the vehicle, including, insofar as the data may exist with respect to a given vehicle, the make, type, serial number and motor number, or any other number of the vehicle. ~~[The record must be open to inspection during business hours by any peace officer or investigator of the state agency.]~~*

**Sec. 24.** NRS 487.200 is hereby amended to read as follows:

487.200 Any person who violates any of the provisions of NRS 487.050 to 487.200, inclusive, *and sections 2, 3 and 4 of this act* is guilty of a misdemeanor.

**Sec. 25.** NRS 487.260 is hereby amended to read as follows:

487.260 1. If the vehicle is appraised at a value of more than \$500 , the state agency or political subdivision shall dispose of it as provided in NRS 487.270.

2. If the vehicle is appraised as a junk vehicle, the Department may issue a junk certificate to the automobile wrecker or tow operator who removed the vehicle.

3. An automobile wrecker who possesses a junk certificate for a junk vehicle may dismantle, scrap, crush or otherwise destroy the vehicle.

4. A vehicle for which a junk certificate has been issued may be sold to an automobile wrecker by the person to whom the junk certificate was issued by the seller's endorsement on the certificate. An automobile wrecker who purchases a vehicle for which a junk certificate has been issued *shall immediately affix the business name of the automobile wrecker as purchaser to the first available space provided on the reverse side of the certificate. For the purposes of this subsection, such an automobile wrecker is the owner of the junk vehicle.*

*5. If insufficient space exists on the reverse side of a junk certificate to transfer the vehicle pursuant to subsection 4, an automobile wrecker who purchases a junk vehicle for which a junk certificate has been previously issued shall, within 10 days after purchase, apply to the Department for a new junk certificate and surrender the original certificate.*

~~[5-]~~ 6. A person who sells, dismantles, scraps, crushes or otherwise destroys a junk vehicle shall maintain, for at least 2 years, a copy of the junk certificate and a record of the name and address of the person from whom the vehicle was acquired and the date thereof. He shall allow any peace officer or any investigator employed by a state agency to inspect the records during business hours.

~~[6-]~~ 7. As used in this section, "junk vehicle" means a vehicle, including component parts, which:

- (a) Has been discarded or abandoned;
- (b) Has been ruined, wrecked, dismantled or rendered inoperative;
- (c) Is unfit for further use in accordance with the original purpose for which it was constructed;
- (d) Is not registered with the Department or has not been reclaimed by the registered owner or a person having a security interest in the vehicle within 15 days after notification pursuant to NRS 487.250; and
- (e) Has value principally as scrap which does not exceed \$200.

**Sec. 26.** NRS 487.490 is hereby amended to read as follows:

487.490 1. The Department may refuse to issue a license or ~~after notice and hearing,~~ may suspend, revoke or refuse to renew a license of an operator of a salvage pool upon determining that the operator:

- (a) Is not lawfully entitled to the license;
- (b) Has made, or knowingly or negligently permitted, any illegal use of that license;
- (c) Made a material misstatement in any application;
- (d) Willfully fails to comply with any provision of NRS 487.400 to 487.510, inclusive;
- (e) Fails to discharge any final judgment entered against him when the judgment arises out of any misrepresentation regarding a vehicle;
- (f) Fails to maintain any license or bond required by a political subdivision of this State;
- (g) Has been convicted of a felony;

(h) Has been convicted of a misdemeanor or gross misdemeanor for a violation of a provision of this chapter; ~~or~~

(i) Fails or refuses to provide to the Department an authorization for the disclosure of financial records for the business as required pursuant to subsection 6 ~~1~~; *or*

*(j) Displays evidence of unfitness for a license pursuant to section 3 of this act.*

2. The applicant or licensee may, within 30 days after receipt of the notice of refusal to grant or renew or the suspension or revocation of a license, petition the Department in writing for a hearing.

3. Hearings under this section and appeals therefrom must be conducted in the manner prescribed in NRS 482.353 and 482.354.

4. If an application for a license as an operator of a salvage pool is denied, the applicant may not submit another application for at least 6 months after the date of the denial.

5. The Department may refuse to review a subsequent application for licensing submitted by any person who violates any provision of NRS 487.400 to 487.510, inclusive.

6. Upon the receipt of any report or complaint that an applicant or a licensee has engaged in financial misconduct or has failed to satisfy financial obligations related to the operation of a salvage pool, 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 pursuant to such an authorization may be disclosed only to those employees of the Department who are authorized to issue a license to an applicant pursuant to NRS 487.400 to 487.510, inclusive, or to determine the suitability of an applicant or a licensee for such licensure.

7. For the purposes of this section, the failure to adhere to the directives of the Department advising the licensee of his noncompliance with any provision of NRS 487.400 to 487.510, inclusive, or regulations of the Department, within 10 days after the receipt of those directives, is prima facie evidence of willful failure to comply.

**Secs. 27-28.** (Deleted by amendment.)

**Sec. 29.** NRS 487.560 is hereby amended to read as follows:

487.560 1. On and after January 1, 1998, a garageman shall register with the Department for authorization to operate a garage.

2. An application for registration must be on a form provided by the Department. The application must include:

(a) The name of the applicant, including each name under which he intends to do business;

(b) The complete street address of each location from which the applicant will be conducting business, including a designation of the location that will be his principal place of business;

(c) A copy of the business license for each garage operated by the applicant if the county or city in which the applicant operates a garage requires such a license;

(d) The type of repair work offered at each garage operated by the applicant;

(e) The number of mechanics employed at each garage operated by the applicant; *and*

(f) ~~The statement required by NRS 487.563; and~~

~~(g)~~ Any other information required by the Department.

3. Except as otherwise provided in this subsection, for each garage operated by an applicant, the Department shall charge a fee of \$25 for the issuance or renewal of registration. If an applicant operates more than one garage, he may file one application if he clearly indicates on the application the location of each garage operated by the applicant and each person responsible for the management of each garage. The Department shall waive the fee for the issuance or renewal of registration for a person that is licensed as:

(a) An authorized inspection station, authorized maintenance station or authorized station pursuant to chapter 445B of NRS;

(b) A manufacturer, distributor, dealer or rebuilder pursuant to chapter 482 of NRS; or

(c) An automobile wrecker, salvage pool or body shop pursuant to chapter 487 of NRS.

4. All fees collected pursuant to this section must be deposited with the State Treasurer to the credit of the Account for Regulation of Salvage Pools, Automobile Wreckers, Body Shops and Garages.

5. An applicant for registration or renewal of registration shall notify the Department of any material change in the information contained in his application for registration or renewal within 10 days after his knowledge of the change.

**Sec. 30.** NRS 487.563 is hereby amended to read as follows:

487.563 1. Each person who submits an application for registration pursuant to the provisions of NRS 487.560 ~~[must include in the application a written statement to the Department that specifies whether he agrees to submit to binding arbitration any~~

~~claims against him arising out of a contract for repairs made by him to a motor vehicle. If the person fails to submit the statement to the Department or specifies in the statement that he does not agree to arbitrate those claims, the person]~~ shall file with the Department a bond in the amount of \$5,000, with a corporate surety for the bond that is licensed to do business in this State. The form of the bond must be approved by the Attorney General and be conditioned upon whether the applicant conducts his business as an owner or operator of a garage without fraud or fraudulent representation and in compliance with the provisions of NRS ~~[487.035,]~~ 487.530 to 487.570, inclusive, and 597.480 to 597.590, inclusive ~~[ ]~~ , *and sections 39 to 44, inclusive, of this act.*

2. The bond must be continuous in form and the total aggregate liability on the bond must be limited to the payment of the total amount of the bond.

3. *The bond must provide that any person injured by the action of the garageman may:*

*(a) Apply to the Director for compensation from the bond. The Director, for good cause shown and after notice and opportunity for hearing, may determine the amount of compensation and the person to whom it is to be paid. The surety shall then make payment.*

*(b) Present to the Director an order of a court requiring the Director to pay to the person an amount of compensation from the bond. The Director shall inform the surety, and the surety shall then make payment.*

4. In lieu of a bond required to be filed pursuant to the provisions of subsection 1, a person may deposit with the Department, pursuant to the terms prescribed by the Department:

(a) A like amount of money or bonds of the United States or of the State of Nevada of an actual market value of not less than the amount fixed by the Department; or

(b) A savings certificate of a bank or savings and loan association located in this State, which must indicate an account of an amount equal to the amount of the bond that would otherwise be required pursuant to this section and that the amount is unavailable for withdrawal except upon order of the Department. Interest earned on the certificate accrues to the account of the applicant.

~~[4. If a claim is arbitrated pursuant to the provisions of this section, the proceedings for arbitration must be conducted in accordance with the provisions of NRS 38.206 to 38.248, inclusive.~~

~~—5. If a person:~~

~~—(a) Submits the statement to the Department specifying that he agrees to arbitrate a claim pursuant to the provisions of subsection 1; and~~

~~—(b) Fails to submit to binding arbitration any claim specified in that subsection;~~

~~—the person asserting the claim may notify the Department of that fact. Upon receipt of the notice, the Department shall, after notice and hearing, revoke or refuse to renew the certificate of registration of the person who failed to submit the claim to arbitration.~~

~~—6.]~~ *5. A deposit made pursuant to subsection 4 may be disbursed by the Director, for good cause shown and after notice and opportunity for hearing, in an amount determined by him to compensate a person injured by an action of the garageman or released upon receipt of:*

*(a) An order of a court requiring the Director to release all or a specified portion of the deposit; or*

*(b) A statement signed by the person under whose name the deposit is made and acknowledged before any person authorized to take acknowledgments in this State, requesting that the Director release the deposit, or a specified portion thereof, and stating the purpose for which the release is requested.*

*6. If a person fails to comply with an order of a court that relates to the repair of a motor vehicle, or fails to pay or otherwise discharge any final judgment rendered and entered against him or any court order issued and arising out of the repair of a motor vehicle in the operation of a garage, the Department shall ~~[, after notice and hearing,]~~ revoke or refuse to renew the certificate of registration of the person who failed to comply with the order ~~[.]~~ or satisfy the judgment.*

*7. The Department may reinstate or renew a certificate of registration that is ~~[.]~~*

~~—(a) Revoked pursuant to the provisions of subsection 5 if the person whose certificate of registration is revoked:~~

~~—(1) Submits the claim to arbitration pursuant to the provisions of subsection 4 and notifies the Department of that fact; or~~

~~—(2) Files a bond or makes a deposit with the Department pursuant to the provisions of this section.~~

~~—(b) Revoked]~~ *revoked* pursuant to the provisions of subsection 6 if the person whose certificate of registration is revoked complies with the order of the court.

*8. A garageman whose registration has been revoked pursuant to the provisions of subsection 6 shall furnish to the*

*Department a bond in the amount specified in subsection 1 before the reinstatement of his registration.*

**Sec. 31.** NRS 487.564 is hereby amended to read as follows:

487.564 1. The Department may refuse to issue a registration or ~~[, after notice and hearing,]~~ may suspend, revoke or refuse to renew a registration to operate a garage upon any of the following grounds:

(a) A false statement of a material fact in a certification for a salvage vehicle required pursuant to NRS 487.800.

(b) A false statement or certification for an inspection pursuant to NRS 487.800 which attests to the mechanical fitness or safety of a salvage vehicle.

*(c) The Director determines that the garage or garageman has engaged in a deceptive trade practice or violated the provisions of NRS 597.480 to 597.590, inclusive, and sections 39 to 44, inclusive, of this act.*

*(d) Evidence of unfitness of the applicant or registrant pursuant to section 3 of this act.*

*(e) A violation of any regulation adopted by the Department governing the operation of a garage.*

*(f) A violation of any statute or regulation that constitutes fraud in conjunction with the repair of a motor vehicle or operation of a garage.*

2. *A person for whom a certificate of registration has been suspended or revoked pursuant to the provisions of this section, subsection 6 of NRS 487.563 or similar provisions of the laws of any other state or territory of the United States shall not be employed by, or in any manner affiliated with, the operation of a garage subject to registration in this State.*

3. As used in this section, "salvage vehicle" has the meaning ascribed to it in NRS 487.770.

**Sec. 32.** NRS 487.565 is hereby amended to read as follows:

487.565 1. If the Department receives an application for registration that contains the information required by NRS 487.560, it shall issue to the applicant a certificate of registration for each garage operated by the applicant. The certificate must contain the name of the applicant, the name under which his business will be conducted, the address of his business and the registration number for the garage.

2. A certificate of registration is valid for 1 year after the date of issuance. A garageman may renew his registration by submitting to the Department:

(a) An application for renewal on a form provided by the Department; and

(b) Except as otherwise provided in NRS 487.560, the fee for renewal set forth in that section.

~~[↗ The application must include the statement required by NRS 487.563.]~~

**Sec. 33.** (Deleted by amendment.)

**Sec. 34.** NRS 487.570 is hereby amended to read as follows:

487.570 A garageman shall comply with the provisions of NRS 597.480 to 597.590, inclusive ~~[ ]~~ *and sections 39 to 44, inclusive, of this act.*

**Sec. 35.** NRS 487.640 is hereby amended to read as follows:

487.640 1. No license may be issued to an operator of a body shop until he procures and files with the Department a good and sufficient bond in the amount of \$10,000, with a corporate surety thereon licensed to do business in the State of Nevada, approved as to form by the Attorney General, and conditioned that the applicant shall conduct his business as an operator of a body shop without fraud or fraudulent representation, and in compliance with the provisions of NRS ~~[487.035.]~~ 487.600 to 487.690, inclusive, and 597.480 to 597.590, inclusive ~~[ ]~~ *, and sections 39 to 44, inclusive, of this act.* The Department may, by agreement with any operator of a body shop who has been licensed by the Department for 5 years or more, allow a reduction in the amount of the bond of the operator, if the business of the operator has been conducted satisfactorily for the preceding 5 years, but no bond may be in an amount less than \$1,000.

2. The bond may be continuous in form and the total aggregate liability on the bond must be limited to the payment of the total amount of the bond.

3. The bond must provide that any person injured by the action of the operator of the body shop in violation of any of the provisions of NRS ~~[487.035.]~~ 487.600 to 487.690, inclusive, and 597.480 to 597.590, inclusive, *and sections 39 to 44, inclusive, of this act,* may apply to the Director for compensation from the bond. The Director, for good cause shown and after notice and opportunity for hearing, may determine the amount of compensation and the person to whom it is to be paid. The surety shall then make the payment.

4. In lieu of a bond an operator of a body shop may deposit with the Department, under the terms prescribed by the Department:

(a) A like amount of money or bonds of the United States or of the State of Nevada of an actual market value of not less than the amount fixed by the Department; or

(b) A savings certificate of a bank, credit union or savings and loan association situated in Nevada, which must indicate an account of an amount equal to the amount of the bond which would otherwise be required by this section and that this amount is unavailable for withdrawal except upon order of the Department. Interest earned on the certificate accrues to the account of the applicant.

5. A deposit made pursuant to subsection 4 may be disbursed by the Director, for good cause shown and after notice and opportunity for hearing, in an amount determined by him to compensate a person injured by an action of the licensee, or released upon receipt of:

(a) An order of a court requiring the Director to release all or a specified portion of the deposit; or

(b) A statement signed by the person under whose name the deposit is made and acknowledged before any person authorized to take acknowledgments in this State, requesting the Director to release the deposit, or a specified portion thereof, and stating the purpose for which the release is requested.

6. When a deposit is made pursuant to subsection 4, liability under the deposit is in the amount prescribed by the Department. If the amount of the deposit is reduced or there is an outstanding judgment of a court for which the licensee is liable under the deposit, the license is automatically suspended. The license must be reinstated if the licensee:

(a) Files an additional bond pursuant to subsection 1;

(b) Restores the deposit with the Department to the original amount required under this section; or

(c) Satisfies the outstanding judgment for which he is liable under the deposit.

7. A deposit made pursuant to subsection 4 may be refunded:

(a) By order of the Director, 3 years after the date the licensee ceases to be licensed by the Department, if the Director is satisfied that there are no outstanding claims against the deposit; or

(b) By order of court, at any time within 3 years after the date the licensee ceases to be licensed by the Department, upon evidence satisfactory to the court that there are no outstanding claims against the deposit.

8. Any money received by the Department pursuant to subsection 4 must be deposited with the State Treasurer for credit to the Motor Vehicle Fund.

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**Sec. 36.** NRS 487.650 is hereby amended to read as follows:

487.650 1. The Department may refuse to issue a license or ~~to~~ ~~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 ~~[.]~~ *and sections 39 to 44, inclusive, 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.

*(j) The display of evidence of unfitness for a license pursuant to section 3 of this act.*

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 pursuant to such an authorization may be disclosed only to those

employees of the Department who are authorized to issue a license to an applicant pursuant to NRS 487.610 to 487.690, inclusive, or to determine the suitability of an applicant or a licensee for such licensure.

3. As used in this section, "salvage vehicle" has the meaning ascribed to it in NRS 487.770.

**Sec. 37.** NRS 487.830 is hereby amended to read as follows:

487.830 1. Any person who transfers an interest in a motor vehicle in this State shall, before the transfer, disclose in writing to the transferee any information that the transferor knows or reasonably should know concerning whether the vehicle is a salvage vehicle ~~or~~ *, a rebuilt vehicle or a reconstructed vehicle, as that term is defined in NRS 482.100.*

2. If the transferor is subject to any of the provisions of NRS 482.423 to 482.4245, inclusive, the transferor shall:

(a) Make the disclosure required by subsection 1 before executing a contract of sale or a long-term lease;

(b) Provide a copy of the disclosure to the transferee; and

(c) Retain the written disclosure in his records for the period specified in NRS 482.3263.

3. A person who violates subsection 1 is guilty of obtaining property by false pretenses as provided in NRS 205.380.

**Sec. 38.** Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 39 to 44, inclusive, of this act.

**Sec. 39.** *A person shall be deemed to be engaged in a "deceptive trade practice" if, in the course of his business or occupation, he:*

*1. Engages in any deceptive trade practice, as defined in NRS 598.0915 to 598.0925, inclusive, that involves the repair of a motor vehicle; or*

*2. Engages in any other acts prescribed by the Commissioner by regulation as a deceptive trade practice.*

**Sec. 40.** *1. There is hereby created a revolving account for the Bureau of Consumer Protection in the Office of the Attorney General in the sum of \$7,500, which must be used for the payment of expenses relating to conducting an undercover investigation of a person who is allegedly engaging in a deceptive trade practice or violating the provisions of NRS 597.480 to 597.590, inclusive, and sections 39 to 44, inclusive, of this act.*

*2. The Consumer's Advocate appointed pursuant to NRS 228.320 shall deposit the money in the revolving account in a bank or credit union qualified to receive deposits of public money as*

*provided by law, and the deposit must be secured by a depository bond satisfactory to the State Board of Examiners.*

*3. The Consumer's Advocate or his designee may:*

- (a) Sign all checks drawn upon the revolving account; and*
- (b) Make withdrawals of cash from the revolving account.*

*4. Payments made from the revolving account must be promptly reimbursed from the legislative appropriation, if any, to the Consumer's Advocate for the expenses relating to conducting an undercover investigation of a person who is allegedly engaging in a deceptive trade practice or violating the provisions of NRS 597.480 to 597.590, inclusive, and sections 39 to 44, inclusive, of this act. The claim for reimbursement must be processed and paid as other claims against the State are paid.*

*5. The Consumer's Advocate shall:*

- (a) Approve any disbursement from the revolving account; and*
- (b) Maintain records of any such disbursement.*

*Sec. 41. 1. The Commissioner or the Director of the Department of Motor Vehicles may request an undercover investigation of a person who is allegedly engaging in a deceptive trade practice or violating the provisions of NRS 597.480 to 597.590, inclusive, and sections 39 to 44, inclusive, of this act.*

*2. The Bureau of Consumer Protection in the Office of the Attorney General may conduct an undercover investigation of a person who is allegedly engaging in a deceptive trade practice or violating the provisions of NRS 597.480 to 597.590, inclusive, and sections 39 to 44, inclusive, of this act on its own motion or upon a request received pursuant to subsection 1. Nothing in this subsection requires the Bureau to conduct an undercover investigation.*

*Sec. 42. 1. In addition to any other penalty, the Commissioner may impose an administrative fine of not more than \$10,000 against any person who engages in a deceptive trade practice. The Commissioner shall provide to any person so fined an opportunity for a hearing pursuant to the provisions of NRS 233B.121.*

*2. The Commissioner may negotiate the recovery of losses by a person aggrieved by a deceptive trade practice from the garageman who or body shop that engaged in the practice in lieu of imposing an administrative fine, and may mediate any disputes between customers and garagemen or body shops.*

*3. All administrative fines collected by the Commissioner pursuant to this section must be deposited with the State Treasurer to the credit of the State Highway Fund.*

4. Except as otherwise provided in this subsection, the administrative remedy provided in this section is not exclusive and is intended to supplement existing law. The Commissioner may not impose a fine pursuant to this section against any person who engages in a deceptive trade practice if a fine has previously been imposed against that person pursuant to NRS 598.0903 to 598.0999, inclusive, for the same act. The provisions of this section do not deprive a person injured by a deceptive trade practice from resorting to any other legal remedy.

**Sec. 43.** 1. If charges are made for the repair of a motor vehicle, the garageman or body shop making the charges shall present to the person authorizing repairs or the person entitled to possession of the motor vehicle a statement of the charges setting forth the following information:

- (a) The name and signature of the person authorizing repairs;
- (b) A statement of the total charges;
- (c) An itemization and description of all parts used to repair the motor vehicle indicating the charges made for labor; and
- (d) A description of all other charges.

2. Any person violating this section is guilty of a misdemeanor.

3. In the case of a motor vehicle registered in this State, no lien for labor or materials provided under NRS 108.265 to 108.360, inclusive, may be enforced by sale or otherwise unless a statement as described in subsection 1 has been given by delivery in person or by certified mail to the last known address of the registered and the legal owner of the motor vehicle. In all other cases, the notice must be made to the last known address of the registered owner and any other person known to have or to claim an interest in the motor vehicle.

**Sec. 44.** 1. On or before January 1 of each year, the Commissioner shall prepare a report concerning garages, garagemen and body shops. The report must include:

(a) The number of complaints relating to garages, garagemen and body shops:

(1) Made to and acted upon by the Consumer Affairs Division during the year for which the report is prepared; and

(2) Provided to the Department of Motor Vehicles from the Consumer Affairs Division for the year for which the report is prepared and the number of those complaints acted upon by the Department of Motor Vehicles during that year;

*(b) The number of investigations conducted during that year by the Consumer Affairs Division and the Department of Motor Vehicles relating to garages, garagemen and body shops;*

*(c) The outcome of each investigation specified in paragraph (b) and the extent to which any information relating to each investigation is subject to disclosure to the members of the public;*

*(d) A discussion of the progress made during that year concerning the joint efforts of the Consumer Affairs Division and the Department of Motor Vehicles relating to the complaints and investigations included in the report pursuant to paragraphs (a) and (b); and*

*(e) A discussion of the progress made by the Consumer Affairs Division in enhancing its electronic communications with the Department of Motor Vehicles.*

*2. On or before January 1 of each even-numbered year, the Commissioner shall submit the report required pursuant to subsection 1 to the Legislative Commission. On or before January 1 of each odd-numbered year, the Commissioner shall submit the report to the Director of the Legislative Counsel Bureau for transmittal to:*

*(a) The Senate Standing Committee on Transportation and Homeland Security; and*

*(b) The Assembly Standing Committee on Transportation.*

*3. As used in this section, “Consumer Affairs Division” means the Consumer Affairs Division of the Department of Business and Industry.*

**Sec. 45.** NRS 597.480 is hereby amended to read as follows:

597.480 As used in NRS 597.480 to 597.590, inclusive, *and sections 39 to 44, inclusive, of this act*, unless the context otherwise requires:

1. *“Commissioner” means the Commissioner of Consumer Affairs.*

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

~~12-1~~ 3. *“Garageman” has the meaning ascribed to it in NRS 487.545.*

~~13-1~~ 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. 46.** 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)]~~  
*(Section 43 of this act)*

**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. The sign required pursuant to the provisions of subsection 1 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. Any person who violates the provisions of this section is guilty of a misdemeanor.

**Sec. 47.** NRS 597.500 is hereby amended to read as follows:

597.500 Whenever any garageman accepts or assumes control of a motor vehicle for the purpose of making or completing any repair, he shall comply with the provisions of NRS 597.510 to 597.570, inclusive ~~[-]~~, *and sections 39 to 44, inclusive, of this act.*

**Sec. 48.** NRS 597.560 is hereby amended to read as follows:

597.560 The garageman shall retain copies of any estimate, statement or waiver required by NRS 597.510 to 597.550, inclusive, *and sections 39 to 44, inclusive, of this act* as an ordinary business record of the garage, for a period of not less than 1 year ~~[-from]~~ *after* the date ~~[such]~~ *the* estimate, statement or waiver is signed.

**Sec. 49.** NRS 597.570 is hereby amended to read as follows:

597.570 In every instance where charges are made for the repair of a motor vehicle, the garageman making the repairs shall comply with the provisions of NRS ~~[487.035 as well as the provisions of NRS]~~ 597.510 to 597.550, inclusive ~~[-]~~, *and sections 39 to 44, inclusive, of this act.* He is not entitled to detain a motor

vehicle by virtue of any common law or statutory lien, or otherwise enforce such lien, nor shall he have the right to sue on any contract for repairs made by him, unless he has complied with the requirements of NRS 597.510 to 597.550, inclusive, *and sections 39 to 44, inclusive, of this act*, in addition to those of NRS 487.035.

**Sec. 50.** NRS 597.580 is hereby amended to read as follows:

597.580 The Attorney General or any district attorney may bring an action in any court of competent jurisdiction in the name of the State of Nevada on the complaint of the Commissioner ~~[of Consumer Affairs]~~ or of any person allegedly aggrieved by such violation to enjoin any violation of the provisions of NRS 597.510 to 597.570, inclusive ~~[ ]~~, *and sections 39 to 44, inclusive, of this act*.

**Sec. 51.** NRS 597.590 is hereby amended to read as follows:

597.590 ~~[Any]~~ *Except as otherwise provided in section 42 of this act, any* person who knowingly violates any provision of NRS 597.500 to 597.570, inclusive, *and sections 39 to 44, inclusive, of this act*, is liable, in addition to any other penalty or remedy which may be provided by law, to a civil penalty of not more than \$500 for each offense, which may be recovered by civil action on complaint of the Commissioner, ~~[of Consumer Affairs]~~ the Director of the Department of Business and Industry or the district attorney.

**Sec. 52.** NRS 598.985 is hereby amended to read as follows:

598.985 1. The Division and the Department shall cooperate to enhance the protection of persons who authorize the repair of motor vehicles by a garage that is registered with the Department pursuant to the provisions of NRS 487.530 to 487.570, inclusive.

2. The Commissioner of Consumer Affairs may provide to the Department a copy of any complaint filed with the Division that alleges a deceptive trade practice pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive, *or a violation of the provisions of NRS 597.480 to 597.590, inclusive, or sections 39 to 44, inclusive, of this act* by a garage or garageman registered pursuant to the provisions of NRS 487.530 to 487.570, inclusive. If the Commissioner provides the Department with a copy of a complaint, the Department is subject to the provisions of NRS 598.098 with respect to the complaint.

3. The Department may provide assistance to the Division in carrying out the provisions of NRS 598.990.

**Sec. 53.** NRS 598.990 is hereby amended to read as follows:

598.990 The Division shall:

1. Establish and maintain a toll-free telephone number for persons to report to the Division information concerning alleged

violations of NRS ~~[487.035,]~~ 487.530 to 487.570, inclusive, 597.480 to 597.590, inclusive, *and sections 39 to 44, inclusive, of this act*, and 598.0903 to 598.0999, inclusive.

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

(a) The duties imposed on a garageman by the provisions of NRS 487.035, 487.530 to 487.570, inclusive, and 597.480 to 597.590, inclusive ~~[,]~~, *and sections 39 to 44, inclusive, of this act*;

(b) The rights and protections established for a person who uses the services of a garage ~~[,]~~ *or body shop*;

(c) The repair of motor vehicles; and

(d) Deceptive trade practices relating to the repair of motor vehicles by a garage ~~[,]~~ *or body shop*.

**Sec. 54.** NRS 686A.300 is hereby amended to read as follows:

686A.300 1. An insurer who issues insurance covering damage to a motor vehicle shall not delay making payment for any claim involving damage to a motor vehicle after receiving a statement of charges, pursuant to the provisions of ~~[NRS 487.035,]~~ *section 43 of this act*, from any garage or licensed body shop previously authorized by the insured to perform the repairs required by that claim.

2. A delay, within the meaning of this section, is failure to issue a check or draft, payable to the garage or licensed body shop or jointly to the insured and the garage or licensed body shop, within 30 days after the insurer's receipt of the statement of charges for repairs which have been satisfactorily completed.

3. If the damaged vehicle is subject to a security interest or the legal owner of the damaged vehicle is different from the registered owner, the vehicle must be repaired by a garage or licensed body shop unless:

(a) The insurer has declared the vehicle a total loss; or

(b) The total charge for the repair of the vehicle, as set forth in the statement of charges presented pursuant to ~~[NRS 487.035,]~~ *section 43 of this act*, is \$300 or less.

4. Except as otherwise provided in subsection 3, nothing in this section shall be deemed to prohibit an insurer and insured from settling a claim involving damage to a motor vehicle without providing for the repair of the vehicle.

5. As used in this section, "licensed body shop" means a body shop for which a license has been issued pursuant to chapter 487 of NRS.

**Sec. 55.** NRS 487.035 is hereby repealed.

**Sec. 56.** (Deleted by amendment.)