

Amendment No. 844

Senate Amendment to Assembly Bill No. 239	(BDR 43-971)
Proposed by: Senate Committee on Transportation and Homeland Security	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date
Adopted	☐	Lost ☐	Adopted	☐	Lost ☐
Concurred In	☐	Not ☐	Concurred In	☐	Not ☐
Receded	☐	Not ☐	Receded	☐	Not ☐

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

CAF/SGW



Date: 5/18/2007

A.B. No. 239—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)



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}~~ **provider of a vehicle service contract** to notify the buyer of ~~{a}~~ **the** vehicle service contract if the provider ~~{of the vehicle service contract}~~ ceases doing business in this State. (BDR ~~{42-971}~~ **57-971**)

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}~~ **provider of a vehicle service contract** 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}~~ **This** bill requires a ~~{vehicle dealer}~~ **provider of a vehicle service**
2 **contract** to notify the buyer of a vehicle service contract in writing if the provider ~~{of the~~
3 ~~vehicle service contract}~~ ceases 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 ~~{492}~~ **690C** of NRS is hereby amended by adding thereto
2 a new section to read as follows:

3 **1. A ~~{vehicle dealer who has sold}~~ provider who, whether directly or**
4 **through a vehicle dealer licensed pursuant to NRS 482.325, enters into a vehicle**
5 **service contract ~~{to}~~ with a buyer shall, within 30 days after ~~{receiving notice that~~**
6 **~~{the provider of the vehicle service contract has ceased doing}~~ ceasing doing**
7 **business in this State, notify ~~{the}~~ any buyer who purchased such a contract in**
8 **writing of the fact that the provider has ceased doing business in this State if the**
9 **specified period of the vehicle service contract has not yet expired.**

10 **2. The provisions of this section do not:**

11 **(a) Render a service contract void pursuant to NRS 690C.250;**

12 **(b) Cancel a service contract pursuant to NRS 690C.270; or**

13 **(c) Release the provider from any liability imposed by a violation of any**
14 **provision of this chapter.**

3. As used in this section:

(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. 1.5. NRS 690C.100 is hereby amended to read as follows:

690C.100 1. The provisions of this title do not apply to:

(a) A warranty;

(b) A maintenance agreement;

(c) A service contract provided by a public utility on its transmission device if the service contract is regulated by the Public Utilities Commission of Nevada;

(d) A service contract sold or offered for sale to a person who is not a consumer;

(e) A service contract for goods if the purchase price of the goods is less than \$250; or

~~(f) Except as otherwise provided in section 1 of this act, a service contract issued, sold or offered for sale by a vehicle dealer on vehicles sold by the dealer, if the dealer is licensed pursuant to NRS 482.325 and the service contract obligates either the dealer or the manufacturer of the vehicle, or an affiliate of the dealer or manufacturer, to provide all services under the service contract.~~

2. The sale of a service contract pursuant to this chapter does not constitute the business of insurance for the purposes of 18 U.S.C. §§ 1033 and 1034.

3. As used in this section:

(a) "Maintenance agreement" means a contract for a limited period that provides only for scheduled maintenance.

(b) "Warranty" means a warranty provided solely by a manufacturer, importer or seller of goods for which the manufacturer, importer or seller did not receive separate consideration and that:

(1) Is not negotiated or separated from the sale of the goods;

(2) Is incidental to the sale of the goods; and

(3) Guarantees to indemnify the consumer for defective parts, mechanical or electrical failure, labor or other remedial measures required to repair or replace the goods.

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 482.319 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 the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Department shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage. (Deleted by amendment.)~~

Sec. 3. ~~1-1~~ This act becomes effective on October 1, 2007.

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

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

~~(b) Are in arrears in the payment for the support of one or more children;~~
~~are repealed by the Congress of the United States.]~~