

Amendment No. 21

Assembly Amendment to Assembly Bill No. 177

(BDR 43-194)

Proposed by: Assembly Committee on Transportation**Amends:** Summary: No 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 dashed underlining*** is newly added transitory language.

WBD/BJE



Date: 4/5/2009

A.B. No. 177—Revises provisions concerning short-term leases of passenger cars.
(BDR 43-194)



ASSEMBLY BILL NO. 177—ASSEMBLYMAN OCEGUERA

FEBRUARY 16, 2009

Referred to Committee on Transportation

SUMMARY—Revises provisions concerning short-term leases of passenger cars.
(BDR 43-194)

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; ~~[authorizing a short term lessor and short term lessee of a passenger car to agree that the lessee will be responsible for certain damages to the car under certain circumstances;]~~ authorizing a short-term lessor to exclude from a waiver of damages losses resulting from the theft of a leased car if the theft is committed by an authorized driver or by a person aided or abetted by an authorized driver; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law governing the business of short-term leases of passenger cars, ~~[the lessor and lessee may agree on the extent of the lessee's financial responsibility if the leased car is damaged during the term of the lease. (NRS 482.3154, 482.3155) Section 2 of this bill authorizes the lessee and lessor to agree that the lessee will be responsible for: (1) damages to a leased car from theft and vandalism even if the lessee is not at fault; and (2) the diminished value of a leased car resulting from physical or mechanical damage to the car for which the lessee is liable. "Diminished value," as defined in section 1 of this bill, is the decrease in the fair market value of a car that has been damaged from what the car would have been worth if it had not been damaged and what it is likely to be worth if the damage is repaired properly.]~~

~~A] a~~ a short-term lessor may offer the lessee of a passenger car the opportunity to purchase a "waiver of damages" that relieves the lessee from financial responsibility for certain kinds of damage to the car. (NRS 482.3153, 482.3155-482.3156) **Section 5** of this bill authorizes a lessor to exclude from such a waiver any damages or loss attributable to the theft of the leased car if the theft is committed by the lessee or other authorized driver or by a person aided or abetted by such a driver.

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

Section 1. ~~[Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:~~
~~—"Diminished value" means the difference between:~~

~~1. The fair market value of a passenger car that has been damaged but repaired properly; and~~

~~2. What the fair market value of the same passenger car would have been had the car not been damaged at all. (Deleted by amendment.)~~

Sec. 2. [NRS 482.3151 is hereby amended to read as follows:

~~482.3151 As used in NRS 482.3151 to 482.3159, inclusive, and section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 482.31515 to 482.3153, inclusive, and section 1 of this act have the meanings ascribed to them in those sections. (Deleted by amendment.)~~

Sec. 3. [NRS 482.31535 is hereby amended to read as follows:

~~482.31535 1. Except as otherwise provided in NRS 482.3154, a short-term lessor and a short-term lessee of a passenger car may agree that the lessee will be responsible for:~~

~~(a) Physical damage to the car, up to and including its fair market value, regardless of the cause of the damage;~~

~~(b) Mechanical damage to the car, up to and including its fair market value, resulting from:~~

~~(1) A collision;~~

~~(2) An impact; or~~

~~(3) Any other type of incident;~~

~~that is caused by a deliberate or negligent act or omission on the part of the lessee;~~

~~(c) Loss resulting from theft of the car, up to and including its fair market value, except that the lessee is presumed to have no liability for any loss resulting from theft if an authorized driver:~~

~~(1) Has possession of the ignition key furnished by the lessor or establishes that the ignition key furnished by the lessor was not in the car at the time of the theft; and~~

~~(2) Files an official report of the theft with an appropriate law enforcement agency within 24 hours after learning of the theft and cooperates with the lessor and the law enforcement agency in providing information concerning the theft.~~

~~The lessor may rebut the presumption set forth in this paragraph by establishing that an authorized driver committed or aided and abetted the commission of the theft.]~~

~~(d) Physical damage to the car, up to and including its fair market value, resulting from vandalism, [occurring after or in connection with the theft of the car, except that the lessee has no liability for any damage resulting from vandalism if the lessee has no liability for theft pursuant to paragraph (c).]~~

~~(e) Physical damage to the car and loss of use of the car, up to \$500, resulting from vandalism not related to the theft of the car and not caused by the lessee.]~~

~~(c) [The diminished value of the car resulting from any physical or mechanical damage for which the lessee is liable.~~

~~(f) Loss of use of the car if the lessee is liable for damage or loss;~~

~~[(g)] (f) Actual charges for towing and storage and impound fees paid by the lessor if the lessee is liable for damage or loss;~~

~~[(h)] (g) An administrative charge that includes the cost of appraisal and other costs incident to the damage, loss, loss of use, repair or replacement of the car.~~

~~2. For the purposes of this section, the fair market value must be determined in the customary market for the sale of the leased passenger car. (Deleted by amendment.)~~

1 **Sec. 4.** ~~NRS 482.3154 is hereby amended to read as follows:~~
2 ~~482.3154 1. The total amount of the short-term lessee's liability to the~~
3 ~~short-term lessor resulting from damage to a leased passenger car must not exceed~~
4 ~~the sum of the following:~~
5 ~~(a) The estimated cost for parts that the short-term lessor would have to pay to~~
6 ~~replace damaged parts. Any discount, price reduction or adjustment received by the~~
7 ~~lessor must be subtracted from the estimate to the extent not already incorporated in~~
8 ~~the estimate or promptly credited or refunded to the short-term lessee.~~
9 ~~(b) The estimated cost of labor to replace damaged parts of the passenger car,~~
10 ~~which must not exceed the product of:~~
11 ~~(1) The rate of labor usually paid by the lessor to replace parts of the type~~
12 ~~that were damaged; and~~
13 ~~(2) The estimated time for replacement.~~
14 ~~Any discount, price reduction or adjustment received by the short-term lessor~~
15 ~~must be subtracted from the estimate to the extent not already incorporated in the~~
16 ~~estimate or promptly credited or refunded to the lessee.~~
17 ~~(c) The estimated cost of labor to repair damaged parts of the passenger car,~~
18 ~~which must not exceed the lesser of:~~
19 ~~(1) The product of the rate for labor usually paid by the short-term lessor to~~
20 ~~repair parts of the type that were damaged and the estimated time for repair; or~~
21 ~~(2) The sum of the costs for estimated labor and parts determined pursuant~~
22 ~~to paragraphs (a) and (b) to replace the same parts.~~
23 ~~Any discount, price reduction or adjustment received by the short-term lessor~~
24 ~~must be subtracted from the estimate to the extent not already incorporated in the~~
25 ~~estimate or promptly credited or refunded to the lessee.~~
26 ~~(d) The diminished value of the passenger car.~~
27 ~~(e) Except as otherwise provided in subsection 2, the loss of use of the leased~~
28 ~~passenger car, which must not exceed the product of:~~
29 ~~(1) The rate for the car stated in the short-term lessee's lease, excluding all~~
30 ~~optional charges; and~~
31 ~~(2) The total of the estimated time for replacement and the estimated time~~
32 ~~for repair. For the purpose of converting the estimated time for repair into the same~~
33 ~~unit of time in which the rate of the lease is expressed, a day shall be deemed to~~
34 ~~consist of 8 hours.~~
35 ~~[(e)] (f) Actual charges for towing and storage and impound fees paid by the~~
36 ~~short-term lessor.~~
37 ~~2. Under any of the circumstances described in NRS 482.31555, the short-~~
38 ~~term lessor's loss of use of the passenger car must not exceed the product of:~~
39 ~~(a) The rate for the car stated in the short-term lessee's lease, excluding all~~
40 ~~optional charges; and~~
41 ~~(b) The period from the date of an accident to the date the car is ready to be~~
42 ~~returned to service if the lessor uses his best efforts to repair and return the car to~~
43 ~~service as soon as practicable.~~
44 ~~3. An administrative charge pursuant to paragraph (b) of subsection 1 of NRS~~
45 ~~482.31535 must not exceed:~~
46 ~~(a) Fifty dollars if the total estimated cost for parts and labor is more than \$100~~
47 ~~and less than or equal to \$500;~~
48 ~~(b) One hundred dollars if the total estimated cost for parts and labor is more~~
49 ~~than \$500 and less than or equal to \$1,500;~~
50 ~~(c) One hundred and fifty dollars if the total estimated cost for parts and labor~~
51 ~~is more than \$1,500;~~
52 ~~Any administrative charge may be imposed if the total estimated cost of parts and~~
53 ~~labor is \$100 or less. (Deleted by amendment.)~~

1 **Sec. 5.** NRS 482.31555 is hereby amended to read as follows:
2 482.31555 A short-term lessor may provide in a lease of a passenger car that
3 a waiver of damages does not apply in the following circumstances:

4 1. Damage or loss resulting from an authorized driver's:

5 (a) Intentional, willful, wanton or reckless conduct.

6 (b) Operation of the car in violation of NRS 484.379.

7 (c) Towing or pushing with the car.

8 (d) Operation of the car on an unpaved road if the damage or loss is a direct
9 result of the road or driving conditions.

10 2. Damage or loss occurring when the passenger car is:

11 (a) Used for hire.

12 (b) Used in connection with conduct that constitutes a felony.

13 (c) Involved in a speed test or contest or in driver training activity.

14 (d) Operated by a person other than an authorized driver.

15 (e) Operated in a foreign country or outside of the States of Nevada, Arizona,
16 California, Idaho, Oregon and Utah, unless the lease expressly provides that the
17 passenger car may be operated in other locations.

18 3. An authorized driver providing:

19 (a) Fraudulent information to the short-term lessor.

20 (b) False information to the lessor and the lessor would not have leased the
21 passenger car if he had received true information.

22 ***4. Damage or loss resulting from the theft of the passenger car if committed***
23 ***by an authorized driver or a person aided or abetted by an authorized driver. A***
24 ***theft is presumed to have been committed by a person other than an authorized***
25 ***driver or a person aided or abetted by an authorized driver if the short-term lessee***
26 ***of the car:***

27 ***(a) Has possession of the ignition key furnished by the lessor or establishes***
28 ***that the ignition key furnished by the lessor was not in the car at the time of the***
29 ***theft; and***

30 ***(b) Files an official report of the theft with an appropriate law enforcement***
31 ***agency within 24 hours after learning of the theft and cooperates with the lessor***
32 ***and the law enforcement agency in providing information concerning the theft.***

33 ***↪ The lessor may rebut the presumption set forth in this subsection by***
34 ***establishing that an authorized driver committed or aided and abetted another***
35 ***person in the commission of the theft.***