

Amendment No. 942

Senate Amendment to Assembly Bill No. 482 First Reprint (BDR 43-1124)

Proposed by: Senate Committee on Energy, Infrastructure and Transportation**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No

ASSEMBLY ACTION				Initial and Date		SENATE ACTION				Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	

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.

AAK/WLK



Date: 5/23/2009

A.B. No. 482—Makes various changes relating to the repair of motor vehicles.
(BDR 43-1124)



ASSEMBLY BILL NO. 482—COMMITTEE ON TRANSPORTATION

MARCH 20, 2009

Referred to Committee on Transportation

SUMMARY—Makes various changes relating to the repair of motor vehicles.
(BDR 43-1124)

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: Yes.

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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; transferring the authority for the regulation of trade practices of garages, garagemen and body shops from the Commissioner of Consumer Affairs to the Department of Motor Vehicles; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for regulation of garages, garagemen and body shops by the Commissioner of Consumer Affairs and for their registration or licensure with the Department of Motor Vehicles. (NRS 487.530-487.570, 487.600-487.690, 597.480-597.590) **Sections 2-21** of this bill transfer authority for regulation to the Department and provide for enforcement of those provisions by the Director of the Department.

Section 1 of this bill allows the Department of Motor Vehicles to fine a person who engages in certain deceptive trade practices relating to the sale or lease of a vehicle regardless of whether the person has been fined for that act under the provisions of NRS 598.0903 to 598.0999, inclusive. (NRS 482.554)

Section 29.3 of this bill creates a revolving account for the Bureau of Consumer Protection, overseen by the Consumer's Advocate, to be used for the undercover investigation of alleged violations of **sections 4-21** of this bill or deceptive trade practices.

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

Section 1. NRS 482.554 is hereby amended to read as follows:
482.554 1. The Department may impose an administrative fine of not more than \$10,000 against any person who engages in a deceptive trade practice. The Department shall afford to any person so fined an opportunity for a hearing pursuant to the provisions of NRS 233B.121.

2. For the purposes of this section, a person shall be deemed to be engaged in a "deceptive trade practice" if, in the course of his business or occupation, he:

(a) Enters into a contract for the sale of a vehicle on credit with a customer, exercises a valid option to cancel the vehicle sale and then, after the customer returns the vehicle with no damage other than reasonable wear and tear, the seller:

(1) Fails to return any down payment or other consideration in full, including, returning a vehicle accepted in trade;

(2) Knowingly makes a false representation to the customer that the customer must sign another contract for the sale of the vehicle on less favorable terms; or

(3) Fails to use the disclosure as required in subsection 3.

(b) Uses a contract for the sale of the vehicle or a security agreement that materially differs from the form prescribed by law.

(c) Engages in any deceptive trade practice, as defined in NRS 598.0915 to 598.0925, inclusive, that involves the purchase and sale or lease of a motor vehicle.

(d) Engages in any other acts prescribed by the Department by regulation as a deceptive trade practice.

3. If a seller of a vehicle exercises a valid option to cancel the sale of a vehicle to a customer, the seller must provide a disclosure, and the customer must sign that disclosure, before the seller and customer may enter into a new agreement for the sale of the same vehicle on different terms, or for the sale of a different vehicle. The Department shall prescribe the form of the disclosure by regulation.

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

5. ~~{Except as otherwise provided in this subsection, the}~~ *The* administrative remedy provided in this section is not exclusive and is intended to supplement existing law. ~~{The Department 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. 1.5. Chapter 487 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 21, inclusive, of this act.

Sec. 2. *“Body shop” means any place where the body of a motor vehicle is painted, fixed, repaired or replaced for compensation.*

Sec. 3. *“Person authorizing repairs” means a person who uses the services of a garage. The term includes an insurance company, its agents or its representatives authorizing repairs to motor vehicles under a policy of insurance.*

Sec. 4. 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**

1 **NEVADA AUTOMOTIVE REPAIR**
2 **CUSTOMER BILL OF RIGHTS**

3
4 **AS A CUSTOMER IN NEVADA:**

5
6 *YOU have the right to receive repairs from a business that is REGISTERED with*
7 *the Department of Motor Vehicles that will ensure the proper repair of your*
8 *vehicle. (cite to this section of this act)*

9
10 *YOU have the right to receive a WRITTEN ESTIMATE of charges for repairs*
11 *made to your vehicle which exceed \$50. (cite to section 6 of this act)*

12
13 *YOU have the right to read and understand all documents and warranties*
14 *BEFORE YOU SIGN THEM. (cite to this section of this act)*

15
16 *YOU have the right to INSPECT ALL REPLACED PARTS and accessories that*
17 *are covered by a warranty and for which a charge is made. (cite to section 11 of*
18 *this act)*

19 *YOU have the right to request that all replaced parts and accessories that are not*
20 *covered by a warranty BE RETURNED TO YOU AT THE TIME OF SERVICE.*
21 *(cite to section 11 of this act)*

22
23 *YOU have the right to require authorization BEFORE any additional repairs are*
24 *made to your vehicle if the charges for those repairs exceed 20% of the original*
25 *estimate or \$100, whichever is less. (cite to section 7 of this act)*

26
27 *YOU have the right to receive a COMPLETED STATEMENT OF CHARGES*
28 *for repairs made to your vehicle. (cite to section 18 of this act)*

29
30 **FOR MORE INFORMATION PLEASE CONTACT:**

31 **THE DEPARTMENT OF MOTOR VEHICLES**

32
33
34 *2. Each body shop shall display conspicuously in those areas of its place of*
35 *business frequented by persons seeking repairs on motor vehicles a sign, not less*
36 *than 22 inches by 28 inches in size, setting forth in boldface letters the following:*

37 **STATE OF NEVADA**

38 **LICENSED BODY SHOP**

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

41 **NEVADA AUTOMOTIVE REPAIR**
42 **CUSTOMER BILL OF RIGHTS**

43 **AS A CUSTOMER IN NEVADA:**

44
45 *YOU have the right to receive repairs from a business that is LICENSED with the*
46 *Department of Motor Vehicles that will ensure the proper repair of your vehicle.*
47 *(cite to this section of this act)*
48
49
50
51
52

1 *YOU have the right to receive a WRITTEN ESTIMATE of charges for repairs*
2 *made to your vehicle which exceed \$50. (cite to section 6 of this act)*

3
4 *YOU have the right to read and understand all documents and warranties*
5 *BEFORE YOU SIGN THEM. (cite to this section of this act)*

6
7 *YOU have the right to INSPECT ALL REPLACED PARTS and accessories that*
8 *are covered by a warranty and for which a charge is made. (cite to section 11 of*
9 *this act)*

10
11 *YOU have the right to request that all replaced parts and accessories that are not*
12 *covered by a warranty BE RETURNED TO YOU AT THE TIME OF SERVICE.*
13 *(cite to section 11 of this act)*

14
15 *YOU have the right to require authorization BEFORE any additional repairs are*
16 *made to your vehicle if the charges for those repairs exceed 20% of the original*
17 *estimate or \$100, whichever is less. (cite to section 7 of this act)*

18
19 *YOU have the right to receive a COMPLETED STATEMENT OF CHARGES*
20 *for repairs made to your vehicle. (cite to section 18 of this act)*

21
22 **FOR MORE INFORMATION PLEASE CONTACT:**

23
24 **THE DEPARTMENT OF MOTOR VEHICLES**

25
26 *3. The sign required pursuant to the provisions of subsection 1 or 2 must*
27 *include a replica of the Great Seal of the State of Nevada. The Seal must be 2*
28 *inches in diameter and be centered on the face of the sign directly above the*
29 *words "STATE OF NEVADA."*

30 *4. Any person who violates the provisions of this section is guilty of a*
31 *misdemeanor.*

32 **Sec. 5.** *Whenever any body shop or garageman accepts or assumes control*
33 *of a motor vehicle for the purpose of making or completing any repair, the body*
34 *shop or garageman shall comply with the provisions of sections 6 to 19, inclusive,*
35 *of this act.*

36 **Sec. 6.** *1. Except as otherwise provided in section 8 of this act, a person*
37 *requesting or authorizing the repair of a motor vehicle that is more than \$50*
38 *must be furnished a written estimate or statement signed by the person making*
39 *the estimate or statement on behalf of the body shop or garageman indicating the*
40 *total charge for the performance of the work necessary to accomplish the repair,*
41 *including the charge for labor and all parts and accessories necessary to perform*
42 *the work.*

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

45 *(a) Diagnosis and disassembly; and*

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

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

50 **Sec. 7.** *Except as otherwise provided in section 8 of this act, if it is*
51 *determined that additional charges are required to perform the repair authorized,*
52 *and those additional charges exceed, by 20 percent or \$100, whichever is less, the*
53 *amount set forth in the estimate or statement required to be furnished pursuant to*

1 *the provisions of section 6 of this act, the body shop or garageman shall notify the*
2 *owner and insurer of the motor vehicle of the amount of those additional*
3 *charges.*

4 *Sec. 8. The person authorizing the repairs may waive the estimate or*
5 *statement required pursuant to the provisions of section 6 of this act or the*
6 *notification required by section 7 of this act by executing a written waiver of that*
7 *requirement or notification. The waiver must be executed by the person*
8 *authorizing the repairs at the time he authorizes those repairs.*

9 *Sec. 9. If a body shop or garage performs repairs on a motor vehicle, the*
10 *body shop or garage shall perform the repairs in accordance with any*
11 *specifications of the manufacturer of the motor vehicle and the written estimate*
12 *or statement of the cost of the repairs that is most recently agreed upon by the*
13 *body shop or garage and the person authorizing repairs.*

14 *Sec. 10. 1. An owner and the insurer of a motor vehicle who have been*
15 *notified of additional charges pursuant to section 7 of this act shall:*

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

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

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

22 *3. If the owner or insurer of the motor vehicle elects to take possession of*
23 *the motor vehicle but fails to take possession within a 24-hour period after the*
24 *election, the body shop or garageman may charge for storage of the vehicle.*

25 *Sec. 11. 1. Whenever the repair work performed on a motor vehicle*
26 *requires the replacement of any parts or accessories, the body shop or garageman*
27 *shall, at the request of the person authorizing the repairs or any person entitled to*
28 *possession of the motor vehicle, deliver to the person all parts and accessories*
29 *replaced as a result of the work done.*

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

34 *Sec. 12. The body shop or garageman shall retain copies of any estimate,*
35 *statement or waiver required by sections 6 to 19, inclusive, of this act as an*
36 *ordinary business record of the body shop or garage, for a period of not less than*
37 *1 year after the date the estimate, statement or waiver is signed.*

38 *Sec. 13. In every instance where charges are made for the repair of a motor*
39 *vehicle by a garageman, the garageman making the repairs shall comply with the*
40 *provisions of sections 6 to 19, inclusive, of this act. A garageman is not entitled to*
41 *detain a motor vehicle by virtue of any common law or statutory lien, or*
42 *otherwise enforce such a lien, or to sue on any contract for repairs made by him*
43 *unless he has complied with the requirements of sections 6 to 19, inclusive, of this*
44 *act.*

45 *Sec. 14. A person shall be deemed to be engaged in a "deceptive trade*
46 *practice" if, in the course of his business or occupation, he:*

47 *1. Engages in any deceptive trade practice, as defined in NRS 598.0915 to*
48 *598.0925, inclusive, that involves the repair of a motor vehicle; or*

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

51 *Sec. 15. (Deleted by amendment.)*

1 **Sec. 16. 1. The Director may request an undercover investigation of a**
2 **person who is allegedly engaging in a deceptive trade practice or violating the**
3 **provisions of sections 4 to 21, inclusive, of this act.**

4 **2. The Bureau of Consumer Protection in the Office of the Attorney**
5 **General may conduct an undercover investigation of a person who is allegedly**
6 **engaging in a deceptive trade practice or violating the provisions of sections 4 to**
7 **21, inclusive, of this act on its own motion or upon a request received pursuant to**
8 **subsection 1. Nothing in this subsection requires the Bureau to conduct an**
9 **undercover investigation.**

10 **Sec. 17. 1. In addition to any other penalty, the Director may impose an**
11 **administrative fine of not more than \$10,000 against any person who engages in**
12 **a deceptive trade practice as set forth in section 14 of this act. The Director shall**
13 **provide to any person so fined an opportunity for a hearing pursuant to the**
14 **provisions of NRS 233B.121.**

15 **2. All administrative fines collected by the Director pursuant to this section**
16 **must be deposited with the State Treasurer to the credit of the State Highway**
17 **Fund.**

18 **3. The administrative remedy provided in this section is not exclusive and is**
19 **intended to supplement existing law. The provisions of this section do not deprive**
20 **a person injured by a deceptive trade practice from resorting to any other legal**
21 **remedy.**

22 **Sec. 18. 1. If charges are made for the repair of a motor vehicle, the**
23 **garageman or body shop making the charges shall present to the person**
24 **authorizing repairs or the person entitled to possession of the motor vehicle a**
25 **statement of the charges setting forth the following information:**

26 **(a) The name and signature of the person authorizing repairs;**

27 **(b) A statement of the total charges;**

28 **(c) An itemization and description of all parts used to repair the motor**
29 **vehicle indicating the charges made for labor; and**

30 **(d) A description of all other charges.**

31 **Any person violating this section is guilty of a misdemeanor.**

32 **3. In the case of a motor vehicle registered in this State, no lien for labor or**
33 **materials provided under NRS 108.265 to 108.367, inclusive, may be enforced by**
34 **sale or otherwise unless a statement as described in subsection 1 has been given**
35 **by delivery in person or by certified mail to the last known address of the**
36 **registered and the legal owner of the motor vehicle. In all other cases, the notice**
37 **must be made to the last known address of the registered owner and any other**
38 **person known to have or to claim an interest in the motor vehicle.**

39 **Sec. 19. 1. On or before January 1 of each year, the Director of the**
40 **Department shall prepare a report concerning garages, garagemen and body**
41 **shops. The report must include:**

42 **(a) The number of complaints relating to garages, garagemen and body**
43 **shops made to and acted upon by the Department during the year for which the**
44 **report is prepared;**

45 **(b) The number of investigations conducted during that year by the**
46 **Department relating to garages, garagemen and body shops; and**

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

50 **2. On or before January 1 of each even-numbered year, the Director of the**
51 **Department shall submit the report required pursuant to subsection 1 to**
52 **the Legislative Commission. On or before January 1 of each odd-numbered year,**

1 *the Director of the Department shall submit the report to the Director of the*
2 *Legislative Counsel Bureau for transmittal to:*

3 *(a) The Senate Standing Committee on Energy, Infrastructure and*
4 *Transportation; and*

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

6 **Sec. 20.** *The Attorney General or any district attorney may bring an action*
7 *in any court of competent jurisdiction in the name of the State of Nevada on the*
8 *complaint of the Director, or of any person allegedly aggrieved by a violation of*
9 *the provisions of sections 6 to 19, inclusive, of this act, to enjoin any violation of*
10 *the provisions of sections 6 to 19, inclusive, of this act.*

11 **Sec. 21.** *Any person who knowingly violates any provision of sections 5 to*
12 *19, inclusive, of this act is liable, in addition to any other penalty or remedy*
13 *which may be provided by law, to a civil penalty of not more than \$500 for each*
14 *offense, which may be recovered by civil action on complaint of the Director or*
15 *the district attorney.*

16 **Sec. 21.5.** NRS 487.002 is hereby amended to read as follows:

17 487.002 1. The Advisory Board on Automotive Affairs, consisting of seven
18 members appointed by the Governor, is hereby created within the Department.

19 2. The Governor shall appoint to the Board:

- 20 (a) One representative of the Department;
21 (b) One representative of licensed operators of body shops;
22 (c) One representative of licensed automobile wreckers;
23 (d) One representative of registered garagemen;
24 (e) One representative of licensed operators of salvage pools; and
25 (f) Two representatives of the general public.

26 3. After the initial terms, each member of the Board serves a term of 4 years.
27 The members of the Board shall annually elect from among their number a
28 Chairman and a Vice Chairman. The Department shall provide secretarial services
29 for the Board.

30 4. The Board shall meet regularly at least twice each year and may meet at
31 other times upon the call of the Chairman. Each member of the Board is entitled to
32 the per diem allowance and travel expenses provided for state officers and
33 employees generally.

34 5. The Board shall:

35 (a) Study the regulation of garagemen, automobile wreckers and operators of
36 body shops and salvage pools, including, without limitation, the registration or
37 licensure of such persons and the methods of disciplinary action against such
38 persons;

39 (b) Analyze and advise the Department relating to any consumer complaints
40 ~~provided to the Department by the Consumer Affairs Division of the Department~~
41 ~~of Business and Industry pursuant to NRS 598.985 or otherwise~~ received by the
42 Department concerning garagemen, automobile wreckers or operators of body
43 shops or salvage pools;

44 (c) Make recommendations to the Department for any necessary regulations or
45 proposed legislation pertaining to paragraph (a) or (b);

46 (d) On or before January 15 of each odd-numbered year, prepare and submit a
47 report concerning its activities and recommendations to the Governor and to the
48 Director of the Legislative Counsel Bureau for transmission to the Legislature; and

49 (e) Perform any other duty assigned by the Department.

50 **Sec. 22.** NRS 487.530 is hereby amended to read as follows:

51 487.530 As used in NRS 487.530 to ~~487.570,~~ 487.690, inclusive, and
52 *sections 2 to 21, inclusive, of this act,* unless the context otherwise requires, the

words and terms defined in NRS ~~487.535~~ 487.540 to 487.550, inclusive, *and sections 2 and 3 of this act* have the meanings ascribed to them in those sections.

Sec. 23. NRS 487.555 is hereby amended to read as follows:

487.555 The provisions of NRS 487.530 to ~~487.570~~ 487.690, inclusive, *and sections 2 to 21, inclusive, of this act* do not apply to a service station that is exclusively engaged in the business of selling motor vehicle fuel, lubricants or goods unrelated to the repair of motor vehicles.

Sec. 24. 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 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 *sections 4 to 21, inclusive, of this act* and NRS 487.530 to ~~487.570~~ 487.567, inclusive. ~~[-and 597.480 to 597.590, inclusive.]~~

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.

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 revoke

1 or refuse to renew the certificate of registration of the person who failed to comply
2 with the order or satisfy the judgment.

3 7. The Department may reinstate or renew a certificate of registration that is
4 revoked pursuant to the provisions of subsection 6 if the person whose certificate of
5 registration is revoked complies with the order of the court.

6 8. A garageman whose registration has been revoked pursuant to the
7 provisions of subsection 6 shall furnish to the Department a bond in the amount
8 specified in subsection 1 before the reinstatement of his registration.

9 **Sec. 25.** NRS 487.564 is hereby amended to read as follows:

10 487.564 1. The Department may refuse to issue a registration or may
11 suspend, revoke or refuse to renew a registration to operate a garage upon any of
12 the following grounds:

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

15 (b) A false statement or certification for an inspection pursuant to NRS
16 487.800 which attests to the mechanical fitness or safety of a salvage vehicle.

17 (c) The Director determines that the garage or garageman has engaged in a
18 deceptive trade practice or violated the provisions of ~~NRS 597.480 to 597.590,~~
19 ~~inclusive~~ *sections 4 to 21, inclusive, of this act.*

20 (d) Evidence of unfitness of the applicant or registrant pursuant to
21 NRS 487.165.

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

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

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

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

33 **Sec. 26.** NRS 487.600 is hereby amended to read as follows:

34 487.600 As used in NRS 487.600 to ~~487.690,~~ *487.687*, inclusive, unless the
35 context otherwise requires, the words and terms defined in NRS ~~487.602~~ *487.604*
36 to 487.608, inclusive, have the meanings ascribed to them in those sections.

37 **Sec. 27.** NRS 487.640 is hereby amended to read as follows:

38 487.640 1. No license may be issued to an operator of a body shop until he
39 procures and files with the Department a good and sufficient bond in the amount of
40 \$10,000, with a corporate surety thereon licensed to do business in the State of
41 Nevada, approved as to form by the Attorney General, and conditioned that the
42 applicant shall conduct his business as an operator of a body shop without fraud or
43 fraudulent representation, and in compliance with the provisions of *sections 4 to 21,*
44 *inclusive, of this act and* NRS 487.600 to ~~487.690,~~ *487.687*, inclusive. ~~[-and~~
45 ~~597.480 to 597.590, inclusive.]~~ The Department may, by agreement with any
46 operator of a body shop who has been licensed by the Department for 5 years or
47 more, allow a reduction in the amount of the bond of the operator, if the business of
48 the operator has been conducted satisfactorily for the preceding 5 years, but no
49 bond may be in an amount less than \$1,000.

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

52 3. The bond must provide that any person injured by the action of the operator
53 of the body shop in violation of any of the provisions of *sections 4 to 21, inclusive,*

1 *of this act and* NRS 487.600 to ~~[487.690,]~~ 487.687, inclusive, ~~[and 597.480 to~~
2 ~~597.590, inclusive.]~~ may apply to the Director for compensation from the bond. The
3 Director, for good cause shown and after notice and opportunity for hearing, may
4 determine the amount of compensation and the person to whom it is to be paid. The
5 surety shall then make the payment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 **Sec. 28.** NRS 487.650 is hereby amended to read as follows:

45 487.650 1. The Department may refuse to issue a license or may suspend,
46 revoke or refuse to renew a license to operate a body shop upon any of the
47 following grounds:

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

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

53 (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 *sections 4 to 21, inclusive, of this act or* NRS 487.600 to ~~487.690, 487.687, inclusive. [, or 597.480 to 597.590, inclusive.]~~

(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 guilty or guilty but mentally ill 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 NRS 487.165.

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 487.600 to ~~487.690, 487.687, inclusive,~~ or to determine the suitability of an applicant or a licensee for licensure.

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

Sec. 29. NRS 487.690 is hereby amended to read as follows:

487.690 Any person who violates any of the provisions of *sections 4 to 21, inclusive, of this act or* NRS ~~487.690, 487.530~~ to 487.680, inclusive, is guilty of a misdemeanor.

Sec. 29.3. Chapter 228 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There is hereby created a revolving account for the Bureau of Consumer Protection 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 sections 4 to 21, inclusive, of this act.

2. The Consumer's Advocate 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

sections 4 to 21, 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. 29.7. NRS 228.300 is hereby amended to read as follows:

228.300 As used in NRS 228.300 to 228.390, inclusive, *and section 29.3 of this act*, unless the context otherwise requires, the words and terms defined in NRS 228.302 to 228.308, inclusive, have the meanings ascribed to them in those sections.

Sec. 30. (Deleted by amendment.)

Sec. 31. (Deleted by amendment.)

Sec. 32. 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 597.5705,~~ *section 18 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 597.5705,~~ *section 18 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. 33. NRS 487.535, 487.568, 487.570, 487.602, 487.480, 487.490, 487.500, 487.510, 487.520, 487.530, 487.535, 487.540, 487.550, 487.560, 487.570, 487.5701, 487.5702, 487.5703, 487.5704, 487.5705, 487.5706, 487.580, 487.590, 487.971, 487.975, 487.981, 487.985 and 487.990 are hereby repealed.

Sec. 34. *This act becomes effective on July 1, 2009.*

LEADLINES OF REPEALED SECTIONS

487.535 "Division" defined.

487.568 Penalty.

487.570 Garageman to comply with certain provisions relating to trade practices.

487.602 "Body shop" defined.

597.480 Definitions.

597.490 Display of sign required; contents of sign; penalty.

597.500 Duties of body shop or garageman on acceptance of vehicle for repair.

597.510 Estimate of costs required for certain repairs.

597.520 Notice of additional charges over estimate required in certain cases.

597.530 Waiver of estimate of costs or notice of additional charges; execution of waiver.

597.535 Duty of body shop and garage to repair vehicle in accordance with manufacturer's specifications and estimate of costs required for repair.

597.540 Duties of owner and insurer upon receipt of notice of additional charges.

597.550 Replaced parts to be delivered to person authorizing repairs if requested; exception.

597.560 Records to be retained by body shop or garageman.

597.570 Compliance with NRS 597.510 to 597.5706, inclusive; enforcement of liens and contracts.

597.5701 Certain acts deemed to be deceptive trade practice.

597.5702 Revolving account for Bureau of Consumer Protection: Creation; use; deposits; claims.

597.5703 Commissioner or Director authorized to request undercover investigation of alleged deceptive trade practice; Bureau of Consumer Protection authorized to conduct such investigation.

597.5704 Administrative fine for engaging in deceptive trade practice; deposit and use of money collected as administrative fine.

597.5705 Statement of charges required for repair of vehicle; violation constitutes misdemeanor; statement required for enforcement of lien.

597.5706 Submission of annual report by Commissioner to Legislative Commission.

597.580 Violations: Injunctive relief.

597.590 Violations: Civil penalties.

598.971 Definitions.

598.975 "Department" defined.

598.981 "Division" defined.

598.985 Division and Department to cooperate to protect persons who authorize repair of motor vehicles.

598.990 Division to establish and maintain toll-free telephone number concerning alleged violations and develop program to provide certain information to public.