

CHAPTER.....

AN ACT relating to motor vehicles; revising certain provisions governing the fees charged by a short-term lessor of passenger cars; increasing the governmental services fee on short-term leases of passenger cars; revising the definition of “uninsured motor vehicle” to include a leased passenger car under certain circumstances; making various changes concerning the disclosure of certain information relating to the short-term lease of a passenger car; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under existing law, a short-term lessor of passenger cars is required to collect from its customers a governmental services fee of 6 percent and a recovery surcharge fee of 4 percent of the adjusted total cost of leasing the car. The lessor is allowed to retain a portion of the money from the recovery surcharge fee as reimbursement of its costs to license and register its vehicles, and is required to remit the remaining amount of that fee, and the full amount of the 6 percent governmental services fee, to the State. (NRS 482.313) **Section 6** of this bill increases the amount of the governmental services fee from 6 to 10 percent and eliminates the 4 percent recovery surcharge fee. In place of that fee, **section 8** of this bill authorizes a short-term lessor to impose an additional charge on each lease to allow the lessor to recover the full amount of its vehicle licensing costs. **Section 8** also authorizes a short-term lessor to impose additional charges to recover other costs that the lessor incurs as a condition of doing business, such as concession fees that the lessor must pay to an airport or other facility for the privilege of operating at the facility, and to recover the amount of any fees that the lessor pays on behalf of the short-term lessee. **Section 8** also requires that the short-term lessor clearly disclose the amount of each additional charge in the lease agreement. (NRS 482.3158)

Existing law provides that, with certain exceptions, no policy of motor vehicle liability insurance may be delivered or issued for delivery in this State unless it provides uninsured vehicle coverage to the persons insured under the policy. (NRS 690B.020) **Section 9** of this bill amends the definition of “uninsured motor vehicle” to include a leased passenger car for which the short-term lessor has provided liability coverage up to the statutory minimum amounts, but which is operated by a short-term lessee who does not have liability coverage in at least the statutory minimum statutory amounts.

Section 10 of this bill repeals a provision of existing law that requires a short-term lessor to: (1) advertise, quote and charge a rate for leasing a passenger car that, with certain exceptions, includes the entire amount that a short-term lessee must pay to lease the car; and (2) clearly disclose in the advertisement or quotation the terms of any mileage conditions relating to the advertised or quoted rate. (NRS 482.31575)



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 the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *“Vehicle licensing costs” means:*

1. The fees paid by a short-term lessor for the registration of, and the issuance of certificates of title for, the passenger cars leased by him, including, without limitation, fees for license plates and license plate decals, stickers and tabs, and inspection fees; and

2. The basic and supplemental governmental services taxes paid by the short-term lessor with regard to those passenger cars.

Sec. 3. *1. A short-term lessor that wishes to impose an additional charge pursuant to NRS 482.3158 to recover its vehicle licensing costs must, not less than annually, make good faith estimates of:*

(a) Its vehicle licensing costs for the calendar year; and

(b) The charge that must be imposed in each lease to recover those costs.

2. If the amount of money collected by a short-term lessor for the recovery of its vehicle licensing costs during a calendar year is different from the amount of those costs for that year, the short-term lessor shall:

(a) Retain the amount collected; and

(b) Adjust its estimate of its vehicle licensing costs and the charge that must be imposed on each lease to recover those costs for the immediately following calendar year by the amount of the difference.

3. This section does not prevent a short-term lessor from making adjustments in the amount of its charge to recover its vehicle licensing costs during the calendar year.

4. A short-term lessor shall annually report to the Department of Taxation:

(a) The amount of the short-term lessor’s vehicle licensing costs for the immediately preceding calendar year; and

(b) The amount of money collected by the short-term lessor for the recovery of its vehicle licensing costs for the immediately preceding calendar year.

Secs. 4 and 5. (Deleted by amendment.)

Sec. 6. NRS 482.313 is hereby amended to read as follows:

482.313 1. Upon the lease of a passenger car by a short-term lessor in this State, the short-term lessor shall charge and collect from the short-term lessee:



(a) A governmental services fee of ~~[6]~~ **10** percent of the total amount for which the passenger car was leased, excluding the items described in subsection 7; **and**

(b) Any fee required pursuant to NRS 244A.810 or 244A.860 .
~~[-; and~~

~~—(c) A recovery surcharge fee of 4 percent of the total amount for which the passenger car was leased, excluding the items described in subsection 8, as reimbursement for vehicle licensing fees and taxes paid by the short term lessor.]~~

➔ The amount of each fee charged pursuant to this subsection must be indicated in the lease agreement.

2. The fees due from a short-term lessor to the Department of Taxation pursuant to subsection 1 are due on the last day of each calendar quarter. On or before the last day of the month following each calendar quarter, the short-term lessor shall:

(a) File with the Department of Taxation, on a form prescribed by the Department of Taxation, a report indicating the total amount of ~~[-~~

~~—(1) Each]~~ **each** of the fees collected by the short-term lessor pursuant to subsection 1 during the immediately preceding calendar quarter; and

~~[(2) Vehicle licensing fees and taxes paid by the short term lessor pursuant to this chapter during the immediately preceding calendar quarter.]~~

(b) Remit to the Department of Taxation ~~[-~~

~~—(1) The]~~ **the** fees collected by the short-term lessor pursuant to ~~[paragraphs (a) and (b) of]~~ subsection 1 during the immediately preceding calendar quarter . ~~[-; and~~

~~—(2) One quarter of the fees collected by the short term lessor pursuant to paragraph (c) of subsection 1 during the immediately preceding calendar quarter.]~~

3. Except as otherwise provided in a contract made pursuant to NRS 244A.820 or 244A.870, the Department of Taxation shall deposit ~~[all]~~ :

(a) **All** money received from short-term lessors pursuant to the provisions of ~~[-~~

~~—(a) Subparagraph (1) of]~~ paragraph (b) of subsection ~~[2]~~ **1** with the State Treasurer for credit to the State General Fund; ~~[and]~~

(b) ~~[Subparagraph (2) of]~~ **Nine-tenths of the money received from short-term lessors pursuant to the terms of paragraph (a) of subsection 1 with the State Treasurer for credit to the State General Fund; and**



(c) One-tenth of the money received from short-term lessors pursuant to the terms of paragraph ~~[(b)]~~ (a) of subsection ~~[2]~~ 1 with the State Treasurer for credit to the State Highway Fund for administration pursuant to subsection 8 of NRS 408.235.

4. To ensure compliance with this section, the Department of Taxation may audit the records of a short-term lessor.

5. The provisions of this section do not limit or affect the payment of any taxes or fees imposed pursuant to the provisions of this chapter.

6. The Department of Motor Vehicles shall, upon request, provide to the Department of Taxation any information in its records relating to a short-term lessor that the Department of Taxation considers necessary to collect the fees described in subsection 1.

7. For the purposes of charging and collecting the governmental services fee described in paragraph (a) of subsection 1, the following items must not be included in the total amount for which the passenger car was leased:

(a) The amount of ~~[(the fees)]~~ *any fee* charged and collected pursuant to ~~[(paragraphs (b) and (c))]~~ *paragraph (b)* of subsection 1;

(b) The amount of any charge for fuel used to operate the passenger car;

(c) The amount of any fee or charge for the delivery, transportation or other handling of the passenger car;

(d) The amount of any fee or charge for insurance, including, without limitation, personal accident insurance, extended coverage or insurance coverage for personal property; and

(e) The amount of any charges assessed against a short-term lessee for damages for which the short-term lessee is held responsible.

~~8. [(For the purposes of charging and collecting the recovery surcharge fee described in paragraph (c) of subsection 1, the following items must not be included in the total amount for which the passenger car was leased:~~

~~—(a) The amount of the fees charged and collected pursuant to paragraphs (a) and (b) of subsection 1;~~

~~—(b) The amount of any charge for a collision damage waiver or a similar instrument that acts as a waiver of the short-term lessor's right to collect from the short-term lessee for any damage to the passenger car;~~

~~—(c) The amount of any charge for fuel used to operate the passenger car;~~

~~—(d) The amount of any fee or charge for the delivery, transportation or other handling of the passenger car;~~



~~—(e) The amount of any fee or charge for insurance, including, without limitation, personal accident insurance, extended coverage or insurance coverage for personal property;~~

~~—(f) The amount of any charges assessed against a short term lessee for damages for which the short term lessee is held responsible; and~~

~~—(g) The amount of any concession fee or charge that the short-term lessor:~~

~~—(1) Is required to pay to do business at an airport, if applicable; and~~

~~—(2) Passes on to the short term lessee of the passenger car.~~

~~—9.]~~ The Executive Director of the Department of Taxation shall:

(a) Adopt such regulations as he determines are necessary to carry out the provisions of this section; and

(b) Upon the request of the Director of the Department of Motor Vehicles, provide to the Director of the Department of Motor Vehicles a copy of any record or report described in this section.

~~[10. As used in this section, “vehicle licensing fees and taxes” means:~~

~~—(a) The fees paid by a short term lessor for the registration of, and the issuance of certificates of title for, the passenger cars leased by him; and~~

~~—(b) The basic and supplemental governmental services taxes paid by the short term lessor with regard to those passenger cars.]~~

Sec. 7. NRS 482.3151 is hereby amended to read as follows:

482.3151 As used in NRS 482.3151 to 482.3159, inclusive, *and sections 2 and 3 of this act*, unless the context otherwise requires, the words and terms defined in NRS 482.31515 to 482.3153, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

Sec. 7.5. NRS 482.31575 is hereby amended to read as follows:

482.31575 1. ~~[A]~~ *Except as otherwise provided in subsection 2, a* short-term lessor shall advertise, quote and charge a rate for leasing a passenger car ~~[that]~~ *which* includes the entire amount *that a short-term lessee must pay to lease the car for the period to which the rate applies*, except ~~[the]~~ taxes, *charges for mileage and* any fees paid to airports ~~[and any charges for mileage, that a short term lessee must pay to lease the car for the period to which the rate applies.]~~ , *including, without limitation, any concession fees which the short-term lessor pays to do business at an airport and which he charges to the short-term lessee.*



2. *The requirements of subsection 1 do not apply to fees charged pursuant to paragraph (a) or (b) of subsection 1 of NRS 482.313 or additional charges imposed pursuant to subsection 1 of NRS 482.3158 which are included in the quotation of an estimated total price for the short-term lease or which are separately identified and clearly disclosed in the lease agreement.*

3. If a short-term lessor states a rate for lease of a passenger car in a printed advertisement or in a quotation transmitted by computer or telephone or in person, the lessor shall clearly disclose in the advertisement or quotation the terms of any mileage conditions relating to the advertised or quoted rate, including, but not limited to, the amount of mileage and gas charges, the number of miles for which no charges will be imposed and a description of geographic driving limitations.

Sec. 8. NRS 482.3158 is hereby amended to read as follows:

482.3158 1. The short-term lessor of a passenger car may impose an additional charge:

(a) Based on reasonable age criteria established by the lessor.

(b) For any item or a service provided if the short-term lessee could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service.

(c) For insurance and accessories requested by the lessee.

(d) For service incident to the lessee's optional return of the *passenger* car to a location other than the location where the *passenger* car was leased.

(e) For refueling the *passenger* car at the conclusion of the lease if the lessee did not return the *passenger* car with as much fuel as was in the fuel tank at the beginning of the lease.

(f) For any authorized driver in addition to the short-term lessee but shall not, except as otherwise provided in this paragraph, charge more than \$10 per full or partial 24-hour period for such an additional authorized driver. The monetary amount set forth in this paragraph must be adjusted for each fiscal year that begins on or after July 1, 2008, by adding to that amount the product of that amount multiplied by the percentage increase in the Consumer Price Index West Urban for All Urban Consumers (All Items) between the calendar year ending on December 31, 2005, and the calendar year immediately preceding the fiscal year for which the adjustment is made. The Department shall, on or before March 1 of each year, publish the adjusted amount for the next fiscal year on its website or otherwise make that information available to short-term lessors.

(g) To recover costs incurred by the short-term lessor as a condition of doing business, including, without limitation:



(1) *The short-term lessor's vehicle licensing costs; and*
(2) *Concession, access and other fees imposed on the short-term lessor by an airport or other facility for the privilege of operating at the facility.*

(h) *To recover any fees paid by the short-term lessor on behalf of the short-term lessee, including, without limitation, a customer facility charge imposed on the short-term lessee by an airport or other facility for the privilege of using the facility.*

2. *The short-term lessor of a passenger car that wishes to impose an additional charge pursuant to paragraph (g) or (h) of subsection 1:*

(a) *Must, at the time the lease commences, provide the short-term lessee with a lease agreement which clearly discloses all charges for the entire lease, excluding charges that cannot be determined at the time the lease commences; and*

(b) *Must:*

(1) *At the time the short-term lessee makes the reservation for the short-term lease of the passenger car, provide a good faith estimate of the total of all charges for the entire lease, excluding mileage charges and charges for optional items that cannot be determined based upon the information provided by the short-term lessee; or*

(2) *At the time the short-term lessor provides a price quote or estimate for the short-term lease of the passenger car, disclose the existence of any vehicle licensing costs and any other separately stated additional charge.*

3. A short-term lessor shall not charge a short-term lessee, as a condition of leasing a passenger car, an additional fee for:

(a) Any surcharges required for fuel.

(b) Transporting the lessee to the location where the *passenger* car will be delivered to the lessee.

~~3-~~ 4. If a short-term lessor:

(a) Delivers a passenger car to a short-term lessee at a location other than the location where the lessor normally carries on its business, the lessor shall not charge the lessee any amount for the period before the delivery of the *passenger* car.

(b) Takes possession of a passenger car from a short-term lessee at a location other than the location where the lessor normally carries on its business, the lessor shall not charge the lessee any amount for the period after the lessee notifies the lessor to take possession of the *passenger* car.



Sec. 9. NRS 690B.020 is hereby amended to read as follows:

690B.020 1. Except as otherwise provided in this section and NRS 690B.035, no policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle may be delivered or issued for delivery in this State unless coverage is provided therein or supplemental thereto for the protection of persons insured thereunder who are legally entitled to recover damages, from owners or operators of uninsured or hit-and-run motor vehicles, for bodily injury, sickness or disease, including death, resulting from the ownership, maintenance or use of the uninsured or hit-and-run motor vehicle. No such coverage is required in or supplemental to a policy issued to the State of Nevada or any political subdivision thereof, or where rejected in writing, on a form furnished by the insurer describing the coverage being rejected, by an insured named therein, or upon any renewal of such a policy unless the coverage is then requested in writing by the named insured. The coverage required in this section may be referred to as "uninsured vehicle coverage."

2. The amount of coverage to be provided must be not less than the minimum limits for liability insurance for bodily injury provided for under chapter 485 of NRS, but may be in an amount not to exceed the coverage for bodily injury purchased by the policyholder.

3. For the purposes of this section, the term "uninsured motor vehicle" means a motor vehicle:

(a) With respect to which there is not available at the Department of Motor Vehicles evidence of financial responsibility as required by chapter 485 of NRS;

(b) With respect to the ownership, maintenance or use of which there is no liability insurance for bodily injury or bond applicable at the time of the accident ~~or~~ or, to the extent of such deficiency, any liability insurance for bodily injury or bond in force is less than the amount required by NRS 485.210;

(c) With respect to the ownership, maintenance or use of which the company writing any applicable liability insurance for bodily injury or bond denies coverage or is insolvent;

(d) Used without the permission of its owner if there is no liability insurance for bodily injury or bond applicable to the operator;

(e) Used with the permission of its owner who has insurance which does not provide coverage for the operation of the motor vehicle by any person other than the owner if there is no liability insurance for bodily injury or bond applicable to the operator; ~~for~~



(f) The owner or operator of which is unknown or after reasonable diligence cannot be found if:

(1) The bodily injury or death has resulted from physical contact of the automobile with the named insured or the person claiming under him or with an automobile which the named insured or such a person is occupying; and

(2) The named insured or someone on his behalf has reported the accident within the time required by NRS 484.223, 484.225 or 484.227 to the police department of the city where it occurred or, if it occurred in an unincorporated area, to the sheriff of the county or to the Nevada Highway Patrol ; or

(g) *Used by a short-term lessee if:*

(1) The short-term lessor has satisfied the requirements of NRS 482.295 and subsection 1 of 482.305; and

(2) The short-term lessee is not insured or otherwise covered by a policy of insurance against liability for damages caused by negligence in the operation of the vehicle in amounts that are not less than the amounts required pursuant to NRS 485.185.

4. For the purposes of this section, the term “uninsured motor vehicle” also includes, subject to the terms and conditions of coverage, an insured other motor vehicle where:

(a) The liability insurer of the other motor vehicle is unable because of its insolvency to make payment with respect to the legal liability of its insured within the limits specified in its policy;

(b) The occurrence out of which legal liability arose took place while the uninsured vehicle coverage required under paragraph (a) was in effect; and

(c) The insolvency of the liability insurer of the other motor vehicle existed at the time of, or within 2 years after, the occurrence.

➡ Nothing contained in this subsection prevents any insurer from providing protection from insolvency to its insureds under more favorable terms.

5. If payment is made to any person under uninsured vehicle coverage, and subject to the terms of the coverage, to the extent of such payment the insurer is entitled to the proceeds of any settlement or recovery from any person legally responsible for the bodily injury as to which payment was made, and to amounts recoverable from the assets of the insolvent insurer of the other motor vehicle.

6. A vehicle involved in a collision which results in bodily injury or death shall be presumed to be an uninsured motor vehicle if no evidence of financial responsibility is supplied to the



Department of Motor Vehicles in the manner required by chapter 485 of NRS within 60 days after the collision occurs.

Sec. 10. (Deleted by amendment.)

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