

**Amendment No. 556**

Assembly Amendment to Assembly Bill No. 187 (BDR 8-977)

**Proposed by:** Assembly Committee on Commerce and Labor

**Amendment Box:** Replaces Amendment No. 480.

**Amends:** Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

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 underlining* is newly added transitory language.

SRT/DY



Date: 4/22/2013

A.B. No. 187—Revises provisions governing retail installment contracts.

(BDR 8-977)



ASSEMBLY BILL NO. 187—COMMITTEE  
ON COMMERCE AND LABOR

MARCH 1, 2013

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing ~~retail installment contracts;~~ trade regulations. (BDR ~~18-977~~) 52-977

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 ~~retail installment contracts;~~ trade regulations; authorizing a secured party who finances the sale of motor vehicles to install certain devices in the motor vehicles which he or she finances; authorizing a lessor of motor vehicles to install certain devices in the motor vehicles which he or she leases; revising provisions relating to retail installment contracts; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Sections 2 and 3 of this bill authorize secured parties who finance the sale of motor vehicles and lessors of motor vehicles to install devices in the motor vehicles which they finance or lease, respectively, which are used to remotely disable a motor vehicle upon breach or default of the sale or lease agreement by the debtor or lessee, as applicable.

Existing law requires certain retail installment contracts to be contained in a single document which must contain the entire agreement of the parties. (NRS 97.165) ~~This Section 4 of this bill amends that requirement, commonly known as the "single document rule," to provide that it only applies to the agreement of the parties with respect to certain information relating to the total price and the terms of payment. This bill also authorizes a seller to provide to the buyer in a separate document any other disclosures not related to such information. It does not apply to the sale of a motor vehicle in which a secured party and a debtor enter into an agreement authorizing the secured party to install and use a device which is able to remotely disable the motor vehicle upon breach or default by the debtor.~~

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

Section 1. Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. A secured party who finances the sale of a motor vehicle shall not install or use electronic repossession technology in a motor vehicle which he

1 or she finances to take possession of the motor vehicle or, without removal, to  
2 render the motor vehicle unusable, unless:

3 (a) After executing the retail installment contract, the secured party and the  
4 debtor enter into an agreement which is contained in a separate document, is not  
5 a condition of the retail installment contract and which provides that:

6 (1) Electronic tracking technology may be used by the secured party only  
7 to ensure that the electronic tracking technology is operating properly, to  
8 repossess the motor vehicle, to locate the motor vehicle for the purpose of  
9 servicing the retail installment contract or to keep the retail installment contract  
10 current;

11 (2) The debtor may cancel the agreement authorizing the use of  
12 electronic tracking technology at any time during the term of the retail  
13 installment contract without affecting the sale of the motor vehicle or any term or  
14 condition of the retail installment contract; and

15 (3) After providing proper notice to the debtor, a secured party may use  
16 starter interrupt technology to disable a motor vehicle following certain defaults  
17 or breaches of the retail installment contract; and

18 (b) At the time of the sale of the motor vehicle, the secured party provides the  
19 debtor with a written disclosure that the vehicle is equipped with electronic  
20 repossession technology and which includes, without limitation:

21 (1) The nature of the defaults or breaches following which the secured  
22 party may use the electronic repossession technology;

23 (2) The prohibitions on the use of the electronic repossession technology  
24 as provided in subsection 3;

25 (3) The name, address and toll-free telephone number of the secured  
26 party for the purpose of communicating directly with the secured party  
27 concerning the security interest in the motor vehicle and the extension of credit;  
28 and

29 (4) That in the event of an emergency, the debtor will be able to start a  
30 disabled vehicle for at least 24 hours.

31 2. Before using the electronic repossession technology in a motor vehicle  
32 which is financed by a secured party, the secured party shall provide written  
33 notice to the debtor that the secured party will use the electronic repossession  
34 technology to disable the motor vehicle within 3 days, excluding Saturdays,  
35 Sundays and holidays, after issuance of the notice.

36 3. The use of electronic repossession technology in a motor vehicle which is  
37 financed by a secured party is prohibited if:

38 (a) Disablement of the motor vehicle will occur while the engine of the motor  
39 vehicle is running;

40 (b) The electronic repossession technology causes an audible warning which  
41 lasts longer than 20 seconds upon starting or shutting off the engine of the motor  
42 vehicle;

43 (c) The secured party has reason to know that the use of the electronic  
44 repossession technology will result in substantial injury or harm to the debtor, the  
45 public health, safety or welfare, or will in any way adversely affect any third  
46 party; or

47 (d) Less than 30 days have lapsed since the default or breach of contract by  
48 the debtor.

49 4. A debtor may not waive any of the provisions of this section.

50 5. The failure by a secured party to comply with any provision of this  
51 section shall be considered a deceptive trade practice in violation of NRS  
52 598.0923, and a debtor may file a claim for relief. In addition to any other remedy  
53 available pursuant to NRS 41.600, chapter 598 of NRS or any other provision of

1 law, a debtor who prevails in an action pursuant to this subsection shall be  
2 awarded a minimum of \$1,000 as statutory damages, or damages pursuant to  
3 subsection 3 of NRS 104.9625, whichever is greater.

4 6. The Commissioner of Financial Institutions shall prescribe, by  
5 regulation, forms for contracts for the use of electronic repossession technology.

6 7. As used in this section, unless the context otherwise requires:

7 (a) "Electronic repossession technology" means a device that has electrical,  
8 digital, magnetic or wireless optical electromagnetic properties or similar  
9 capabilities, including, without limitation, electronic tracking technology and  
10 starter interrupt technology.

11 (b) "Electronic tracking technology" means global positioning satellite or  
12 similar technology used to obtain or record the location of a motor vehicle.

13 (c) "Retail installment contract" has the meaning ascribed to it in NRS  
14 97.105.

15 (d) "Secured party" has the meaning ascribed to it in NRS 104.9102.

16 (e) "Starter interrupt technology" means technology used to remotely disable  
17 the starter of a motor vehicle.

18 Sec. 3. 1. A lessor who leases a motor vehicle shall not install or use  
19 electronic repossession technology in a motor vehicle which he or she leases to  
20 take possession of the motor vehicle or, without removal, to render the motor  
21 vehicle unusable, unless:

22 (a) After consummation of the lease agreement, the lessor and the lessee  
23 enter into an agreement which is contained in a separate document, is not a  
24 condition of the lease agreement and which provides that:

25 (1) Electronic tracking technology may be used by the lessor only to  
26 ensure that the electronic tracking technology is operating properly, to repossess  
27 the motor vehicle, to locate the motor vehicle for the purpose of servicing the  
28 lease agreement or to keep the lease agreement current;

29 (2) The lessee may cancel the agreement authorizing the use of  
30 electronic tracking technology at any time during the term of the lease agreement  
31 without affecting the lease of the motor vehicle or any term or condition of the  
32 lease agreement; and

33 (3) After providing proper notice to the lessee, a lessor may use starter  
34 interrupt technology to disable a motor vehicle following certain defaults or  
35 breaches of the lease agreement; and

36 (b) At the time of the lease of the motor vehicle, the lessor provides the lessee  
37 with a written disclosure that the vehicle is equipped with electronic repossession  
38 technology and which includes, without limitation:

39 (1) The nature of the defaults or breaches following which the lessor may  
40 use the electronic repossession technology;

41 (2) The prohibitions on the use of the electronic repossession technology  
42 as provided in subsection 3;

43 (3) The name, address and toll-free telephone number of the lessor for  
44 the purpose of communicating directly with the lessor concerning the security  
45 interest in the motor vehicle and the extension of credit; and

46 (4) That in the event of an emergency, the lessee will be able to start a  
47 disabled vehicle for at least 24 hours.

48 2. Before using the electronic repossession technology in a motor vehicle  
49 which is leased by a lessor, the lessor shall provide written notice to the lessee  
50 that the lessor will use the electronic repossession technology to disable the motor  
51 vehicle within 3 days, excluding Saturdays, Sundays and holidays, after issuance  
52 of the notice.

3. The use of electronic repossession technology in a motor vehicle which is leased by a lessor is prohibited if:

(a) Disabling of the motor vehicle will occur while the engine of the motor vehicle is running;

(b) The electronic repossession technology causes an audible warning which lasts longer than 20 seconds upon starting or shutting off of the engine of a motor vehicle;

(c) The lessor has reason to know that the use of the electronic repossession technology will result in substantial injury or harm to the lessee, the public health, safety or welfare, or will in any way adversely affect any third party; or

(d) Less than 30 days have lapsed since the default or breach of contract by the debtor.

4. A lessee may not waive any of the provisions of this section.

5. The failure by a lessor to comply with any provision of this section shall be considered a deceptive trade practice in violation of NRS 598.0923, and a lessee may file a claim for relief. In addition to any other remedy available pursuant to NRS 41.600, chapter 598 of NRS or any other provision of law, a lessee who prevails in an action pursuant to this subsection shall be awarded a minimum of \$1,000, as statutory damages.

6. The Commissioner of Financial Institutions shall prescribe, by regulation, forms for contracts for the use of electronic repossession technology.

7. As used in this section, unless the context otherwise requires:

(a) "Electronic repossession technology" means a device that has electrical, digital, magnetic or wireless optical electromagnetic properties or similar capabilities, including, without limitation, electronic tracking technology and starter interrupt technology.

(b) "Electronic tracking technology" means global positioning satellite or similar technology used to obtain or record the location of a motor vehicle.

(c) "Starter interrupt technology" means technology used to remotely disable the starter of a motor vehicle.

~~[Section 1.]~~ Sec. 4. NRS 97.165 is hereby amended to read as follows:

97.165 1. Every retail installment contract must be contained in a single document which must contain the entire agreement of the parties ~~with respect to the items set forth in NRS 97.185,~~ including any promissory notes or other evidences of indebtedness between the parties relating to the transaction, except as otherwise provided in NRS 97.205 and 97.235, and section 2 of this act, but:

(a) If the buyer's obligation to pay the total of payments is represented by a promissory note secured by a chattel mortgage or other security agreement, the promissory note may be a separate instrument if the mortgage or security agreement recites the amount and terms of payment of that note and the promissory note recites that it is secured by a mortgage or security agreement.

(b) In a transaction involving the repair, alteration or improvement upon or in connection with real property, the contract may be secured by a mortgage or deed of trust on the real property contained in a separate document. Retail sales transactions for home improvements which are financed or insured by the Federal Housing Administration are not subject to the provisions of this chapter.

~~(c) [The seller may provide]~~ In a transaction involving the purchase of a motor vehicle, the parties may enter into an agreement contained in a separate document ~~any disclosure not otherwise related to the items set forth in NRS 97.185,~~ authorizing the use of electronic repossession technology pursuant to the provisions of section 2 of this act.

2. The contract must be dated, signed by the retail buyer and completed as to all essential provisions, except as otherwise provided in NRS 97.205, 97.215 and

1 97.235. The printed or typed portion of the contract, other than instructions for  
2 completion, must be in a size equal to at least 8-point type.

3 3. Any fee charged to the retail buyer for his or her cancellation of a retail  
4 installment contract within 72 hours after its execution is prohibited unless notice of  
5 the fee is clearly set forth in the printed or typed portion of the contract.

6 4. As used in this section, "electronic repossession technology" has the  
7 meaning ascribed to it in paragraph (a) of subsection 7 of section 3 of this act.