

SENATE BILL NO. 170—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

FEBRUARY 19, 2013

Referred to Committee on Transportation

SUMMARY—Revises provisions governing the charges for storage of motor vehicles that are imposed by body shops. (BDR 43-582)

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: 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 body shops; authorizing a body shop to impose certain charges for storage of a motor vehicle; requiring that body shops include rates for storage of vehicles in written estimates; requiring that body shops notify certain registered owners of a motor vehicle of charges for storage; revising provisions governing information that body shops are required to submit to the Department of Motor Vehicles; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law provides that a body shop may charge for storage of a motor
2 vehicle if the owner or insurer of the motor vehicle elects to take possession of the
3 motor vehicle instead of authorizing certain repairs and fails to take possession
4 within 24 hours after that election. (NRS 487.6881) **Section 2** of this bill authorizes
5 a body shop, under certain circumstances, to impose a charge for storage of a motor
6 vehicle that is in the possession of the body shop: (1) before the body shop receives
7 authorization to repair the vehicle; and (2) not less than 24 hours after the person
8 authorizing the repairs has been notified that the repairs are complete. **Section 2**
9 also provides that any such charge for storage of a motor vehicle must not exceed
10 an amount that is one and one-half times the average prevailing rate for storage
11 charged by body shops in the same geographic area, as determined by the
12 Department of Motor Vehicles, except that a body shop may request a hearing by
13 the Department to show good cause as to why the body shop should be allowed to
14 impose a charge which exceeds that limit.



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Under existing law, a body shop must complete an on-line survey to report certain information, including the labor rate charged by the body shop, to the Department of Motor Vehicles within 60 days immediately preceding the date of submission of the application for renewal of the license of the body shop. (NRS 487.685) **Section 5** of this bill requires that a body shop also report to the Department in the on-line survey the daily rate charged by the body shop for storage of vehicles, if any, including both an indoor vehicle storage rate and an outdoor vehicle storage rate, if those rates differ. **Section 6** of this bill requires the Department to calculate and post the prevailing storage rates for each specific geographic area in a report that must be made available to the public on-line. (NRS 487.686)

Existing law requires a body shop to provide to a person requesting or authorizing the repair of a motor vehicle a written estimate or statement indicating the total charge for the repair, including the charge for labor and all parts and accessories necessary to perform the work. (NRS 487.6875) Existing law also requires a body shop to display in its place of business a sign setting forth various rights of the customer, including the right to receive a written estimate of charges for repairs made to the vehicle which exceed \$50. (NRS 487.6871) **Section 9** of this bill requires that the person requesting or authorizing the repair is also entitled to receive from the body shop a written statement of charges for storage of the vehicle, if any, which could exceed \$50. **Section 7** of this bill provides that the sign in a body shop which is required to set forth the various rights of the customer must also include language stating that the customer is entitled to receive a written statement of charges for storage of the vehicle, if any, which could exceed \$50.

Section 3 of this bill provides that if a motor vehicle is towed to a body shop at the request of someone other than the registered owner or an authorized agent of the owner, the body shop which receives the motor vehicle must provide notice, return receipt requested, to the registered owner of the motor vehicle, which notice must include the location of the body shop and certain other information, including the storage fee, if any, charged by the body shop. **Section 3** further provides that the body shop may not impose a charge for storage of such a motor vehicle until it receives the return receipt from the registered owner of the vehicle.

Sections 12-14 of this bill provide for injunctive relief, civil penalties and a criminal misdemeanor penalty for violations of the provisions of this bill.

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

Section 1. Chapter 487 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *Except as otherwise provided in NRS 487.6881 and section 3 of this act, a body shop may impose a reasonable charge for storage of a motor vehicle that is in the possession of the body shop:*

(a) Before the body shop receives authorization to repair the vehicle; and

(b) Not less than 24 hours after the person authorizing the repairs has been notified that the repairs are complete.

2. *Except as otherwise provided in subsection 3, the rate charged by a body shop for storage of a motor vehicle pursuant to*



1 subsection 1 shall be deemed reasonable if it does not exceed an
2 amount equal to one and one-half times the prevailing storage
3 rates for the specific geographic area in which the body shop is
4 located, as made available to the public pursuant to NRS 487.686.

5 3. A body shop that wishes to impose a charge for storage of a
6 motor vehicle which exceeds the amount allowable pursuant to
7 subsection 2 may petition the Department in writing for a hearing.
8 The Department shall conduct a hearing within 30 days after
9 receipt of the petition, or as soon thereafter as is practicable, and
10 if practicable must be conducted in the county where the body
11 shop is located. The scope of the hearing must be limited to
12 evidence presented by the body shop of good cause to impose a
13 charge for storage of a motor vehicle which exceeds the amount
14 otherwise allowable pursuant to subsection 2. The hearing officer
15 shall render his or her determination not later than 10 days after
16 the date of the hearing. The decision of the hearing officer
17 pursuant to this subsection is a final decision for purposes of
18 judicial review.

19 **Sec. 3. 1.** If a motor vehicle is towed to a body shop at the
20 request of someone other than the registered owner of the motor
21 vehicle, the body shop shall:

22 (a) If the motor vehicle is registered in this State, notify the
23 registered owner of the motor vehicle by certified mail, return
24 receipt requested, not later than 3 days after receiving the motor
25 vehicle:

26 (1) Of the location of the body shop where the motor
27 vehicle is being stored;

28 (2) Whether the storage is inside a locked building, in a
29 secured, fenced area or in an unsecured, open area;

30 (3) Of the charge for storing the motor vehicle, if any;

31 (4) Of the date and time the motor vehicle was received by
32 the body shop;

33 (5) Of the actions that the registered owner of the motor
34 vehicle may take to incur the lowest possible liability in accrued
35 storage charges; and

36 (6) That the charge for storing the motor vehicle will not
37 begin to accrue until the return receipt signed by the registered
38 owner is received by the body shop.

39 (b) If the motor vehicle is not registered in this State, make
40 every reasonable attempt and use all resources reasonably
41 necessary, as evidenced by written documentation, to obtain the
42 identity of the owner and any other necessary information from
43 the agency charged with the registration of the motor vehicle in
44 any other state and send to the registered owner the notice
45 described in paragraph (a).



1 (c) *Not impose a charge for storage of the motor vehicle until*
2 *the return receipt required by subsection 1 is signed by the*
3 *registered owner and received by the body shop.*

4 2. *Any charge imposed for storage of a motor vehicle*
5 *pursuant to this section must meet the requirements of section 2 of*
6 *this act.*

7 **Sec. 4.** NRS 487.530 is hereby amended to read as follows:

8 487.530 As used in NRS 487.530 to 487.690, inclusive, *and*
9 *sections 2 and 3 of this act*, unless the context otherwise requires,
10 the words and terms defined in NRS 487.532 to 487.553, inclusive,
11 have the meanings ascribed to them in those sections.

12 **Sec. 5.** NRS 487.685 is hereby amended to read as follows:

13 487.685 1. A body shop licensed in this State must complete
14 an on-line survey within 60 days immediately preceding the date of
15 the submission of the application for renewal of the license of the
16 body shop.

17 2. The Department shall conduct the survey by providing a
18 form on its website or other Internet site to be completed by each
19 body shop and submitted electronically to the Department.

20 3. Each survey must include, without limitation:

21 (a) The name and address of the body shop;

22 (b) The labor rate charged by the body shop; ~~and~~

23 (c) *The vehicle storage rate charged by the body shop, if any,*
24 *both for indoor storage and outdoor storage, if those rates differ;*
25 *and*

26 (d) Any other information the Department deems necessary.

27 4. The information obtained from each survey must be
28 available to the public on-line not more than 30 days after the
29 renewal of the body shop's license.

30 **Sec. 6.** NRS 487.686 is hereby amended to read as follows:

31 487.686 1. The Department must compile the results of each
32 survey completed pursuant to NRS 487.685 in a report which must
33 be made available to the public on-line. The report must include,
34 without limitation:

35 (a) The names and addresses of all body shops that complete the
36 survey;

37 (b) ~~The prevailing labor rate for~~ *For* body shops in a specific
38 geographic area as established by the Department ~~and~~ :

39 (1) *The prevailing labor rate;*

40 (2) *The prevailing indoor vehicle storage rate; and*

41 (3) *The prevailing outdoor vehicle storage rate; and*

42 (c) Any other information the Department deems necessary.

43 2. As used in this section ~~the "prevailing"~~ :



1 (a) "Prevailing indoor vehicle storage rate" means the average
2 daily charge for storing a motor vehicle indoors, as reported in the
3 survey for a specific geographic area.

4 (b) "Prevailing labor rate" means the average labor rate , as
5 reported in the survey ~~for~~ for a specific geographic area.

6 (c) "Prevailing outdoor vehicle storage rate" means the
7 average daily charge for storing a motor vehicle outdoors, as
8 reported in the survey for a specific geographic area.

9 Sec. 7. NRS 487.6871 is hereby amended to read as follows:
10 487.6871 1. Each garage operator shall display
11 conspicuously in those areas of his or her place of business
12 frequented by persons seeking repairs on motor vehicles a sign, not
13 less than 22 inches by 28 inches in size, setting forth in boldface
14 letters the following:

15
16 STATE OF NEVADA

17
18 REGISTERED GARAGE

19
20 THIS GARAGE IS REGISTERED WITH THE
21 DEPARTMENT OF MOTOR VEHICLES

22
23 NEVADA AUTOMOTIVE REPAIR CUSTOMER
24 BILL OF RIGHTS

25
26 AS A CUSTOMER IN NEVADA:

27
28 YOU have the right to receive repairs from a business that is
29 **REGISTERED** with the Department of Motor Vehicles that
30 will ensure the proper repair of your vehicle. (NRS 487.6871)

31
32 YOU have the right to receive a **WRITTEN ESTIMATE** of
33 charges for repairs made to your vehicle which exceed \$50.
34 (NRS 487.6875)

35
36 YOU have the right to read and understand all documents and
37 warranties **BEFORE YOU SIGN THEM**. (NRS 487.6871)

38
39 YOU have the right to **INSPECT ALL REPLACED PARTS**
40 and accessories that are covered by a warranty and for which
41 a charge is made. (NRS 487.6883)

42
43 YOU have the right to request that all replaced parts and
44 accessories that are not covered by a warranty **BE**



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RETURNED TO YOU AT THE TIME OF SERVICE.
(NRS 487.6883)

YOU have the right to require authorization **BEFORE** any additional repairs are made to your vehicle if the charges for those repairs exceed 20% of the original estimate or \$100, whichever is less. (NRS 487.6877)

YOU have the right to receive a **COMPLETED STATEMENT OF CHARGES** for repairs made to your vehicle. (NRS 487.6893)

FOR MORE INFORMATION PLEASE CONTACT:

THE DEPARTMENT OF MOTOR VEHICLES

2. Each body shop shall display conspicuously in those areas of its 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

LICENSED BODY SHOP

THIS BODY SHOP IS LICENSED BY THE
DEPARTMENT OF MOTOR VEHICLES

NEVADA AUTOMOTIVE REPAIR CUSTOMER
BILL OF RIGHTS

AS A CUSTOMER IN NEVADA:

YOU have the right to receive repairs from a business that is **LICENSED** with the Department of Motor Vehicles that will ensure the proper repair of your vehicle. (NRS 487.6871)

YOU have the right to receive a **WRITTEN ESTIMATE** of charges for repairs made to your vehicle which exceed \$50 **and, if any, the rate of and circumstances under which you will be charged more than \$50 for the storage of your vehicle.** (NRS 487.6875)

YOU have the right to read and understand all documents and warranties **BEFORE YOU SIGN THEM.** (NRS 487.6871)



1 **YOU** have the right to **INSPECT ALL REPLACED PARTS**
2 and accessories that are covered by a warranty and for which
3 a charge is made. (NRS 487.6883)

4
5 **YOU** have the right to request that all replaced parts and
6 accessories that are not covered by a warranty **BE**
7 **RETURNED TO YOU AT THE TIME OF SERVICE.**
8 (NRS 487.6883)

9
10 **YOU** have the right to require authorization **BEFORE** any
11 additional repairs are made to your vehicle if the charges for
12 those repairs exceed 20% of the original estimate or \$100,
13 whichever is less. (NRS 487.6877)

14
15 **YOU** have the right to receive a **COMPLETED**
16 **STATEMENT OF CHARGES** for repairs made to your
17 vehicle **+** and for storage of your vehicle, if applicable.
18 (NRS 487.6893)

19
20 FOR MORE INFORMATION PLEASE CONTACT:

21
22 THE DEPARTMENT OF MOTOR VEHICLES

23
24 3. The sign required pursuant to the provisions of subsection 1
25 or 2 must include a replica of the Great Seal of the State of Nevada.
26 The Seal must be 2 inches in diameter and be centered on the face of
27 the sign directly above the words "STATE OF NEVADA."

28 4. Any person who violates the provisions of this section is
29 guilty of a misdemeanor.

30 **Sec. 8.** NRS 487.6873 is hereby amended to read as follows:

31 487.6873 Whenever any body shop or garage operator accepts
32 or assumes control of a motor vehicle for the purpose of making or
33 completing any repair, the body shop or garage operator shall
34 comply with the provisions of NRS 487.6873 to 487.6893, inclusive
35 **+**, and sections 2 and 3 of this act.

36 **Sec. 9.** NRS 487.6875 is hereby amended to read as follows:

37 487.6875 1. Except as otherwise provided in NRS 487.6879,
38 a person requesting or authorizing the repair of a motor vehicle that
39 is more than \$50 must be furnished a written estimate or statement
40 signed by the person making the estimate or statement on behalf of
41 the body shop or garage operator indicating the total charge for the
42 performance of the work necessary to accomplish the repair,
43 including the charge for labor and all parts and accessories
44 necessary to perform the work.



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

- (a) Diagnosis and disassembly; and
- (b) Reassembly, if the person does not authorize the repair.

3. *In an estimate furnished pursuant to subsection 1, a body shop must include, if any, the rate of and circumstances under which the person requesting or authorizing the repair would incur a charge for storage that exceeds \$50.*

4. The provisions of this section do not require a body shop or garage operator to reassemble a motor vehicle if the body shop or garage operator determines that the reassembly of the motor vehicle would render the vehicle unsafe to operate.

Sec. 10. NRS 487.6881 is hereby amended to read as follows:

487.6881 1. An owner and the insurer of a motor vehicle who have been notified of additional charges pursuant to NRS 487.6877 shall:

- (a) Authorize the performance of the repair at the additional expense; or
- (b) Without delay, and upon payment of the authorized charges, take possession of the motor vehicle.

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

3. If the owner or insurer of the motor vehicle elects to take possession of the motor vehicle but fails to take possession within a 24-hour period after the election ~~to the body shop or~~:

(a) *The* garage operator may charge for storage of the *motor* vehicle.

(b) *The body shop may impose a reasonable charge for storage of the motor vehicle in accordance with the provisions of section 2 of this act.*

Sec. 11. NRS 487.6893 is hereby amended to read as follows:

487.6893 1. If charges are made for the repair of a motor vehicle, the garage operator or body shop making the charges shall present to the person authorizing repairs or the person entitled to possession of the motor vehicle a statement of the charges setting forth the following information:

- (a) The name and signature of the person authorizing repairs;
- (b) A statement of the total charges;
- (c) An itemization and description of all parts used to repair the motor vehicle indicating the charges made for labor; ~~and~~
- (d) ~~TA~~ *In the case of a garage operator, a* description of all other charges ~~TA~~; and



1 (e) *In the case of a body shop, a description of all other*
2 *charges, including, without limitation, charges, if any, for storage*
3 *of the motor vehicle.*

4 2. Any person violating this section is guilty of a misdemeanor.

5 3. In the case of a motor vehicle registered in this State, no lien
6 for labor or materials provided under NRS 108.265 to 108.367,
7 inclusive, may be enforced by sale or otherwise unless a statement
8 as described in subsection 1 has been given by delivery in person or
9 by certified mail to the last known address of the registered owner
10 and the legal owner of the motor vehicle. In all other cases, the
11 notice must be made to the last known address of the registered
12 owner and any other person known to have or to claim an interest in
13 the motor vehicle.

14 **Sec. 12.** NRS 487.6895 is hereby amended to read as follows:

15 487.6895 The Attorney General or any district attorney may
16 bring an action in any court of competent jurisdiction in the name of
17 the State of Nevada on the complaint of the Director, or of any
18 person allegedly aggrieved by a violation of the provisions of NRS
19 487.6875 to 487.6893, inclusive, *and sections 2 and 3 of this act* to
20 enjoin any violation of the provisions of NRS 487.6875 to
21 487.6893, inclusive ~~H~~, *and sections 2 and 3 of this act.*

22 **Sec. 13.** NRS 487.6897 is hereby amended to read as follows:

23 487.6897 Any person who knowingly violates any provision of
24 NRS 487.6873 to 487.6893, inclusive, *and sections 2 and 3 of this*
25 *act* is liable, in addition to any other penalty or remedy which may
26 be provided by law, to a civil penalty of not more than \$500 for each
27 offense, which may be recovered by civil action on complaint of the
28 Director or the district attorney.

29 **Sec. 14.** NRS 487.690 is hereby amended to read as follows:

30 487.690 Any person who violates any of the provisions of NRS
31 487.530 to 487.690, inclusive, *and sections 2 and 3 of this act* is
32 guilty of a misdemeanor.

33 **Sec. 15.** This act becomes effective on July 1, 2013.

