

SENATE BILL NO. 387—SENATOR PARKS

MARCH 18, 2013

Referred to Committee on Transportation

SUMMARY—Revises provisions concerning the insuring and registering of motor vehicles. (BDR 43-452)

FISCAL NOTE: Effect on Local Government: No.
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; revising provisions governing the registration in this State of motor vehicles by residents and nonresidents; setting forth that reinstatement fees and fines imposed for failure to maintain motor vehicle liability insurance must be imposed on a per-policy basis and not a per-vehicle basis; providing a grace period of 24 hours before the Department of Motor Vehicles may impose a reinstatement fee, fine, suspension or other penalty against a person for allowing a policy of motor vehicle liability insurance to lapse; requiring the Department to create an appeal process for any penalties imposed by the Department against a person for allowing a policy of motor vehicle liability insurance to lapse; requiring certain policies of insurance to remain in effect until the end of the day upon which the policy is terminated; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, a person is required to register his or her motor vehicle in
- 2 this State within 30 days after becoming a resident, and certain persons who are
- 3 nonresidents are required to register their motor vehicles in this State if they
- 4 conduct certain activities in this State. (NRS 482.385) **Section 1** of this bill returns
- 5 the period within which a motor vehicle must be registered by a new resident from
- 6 30 days to 60 days and eliminates the requirement that a nonresident register his or
- 7 her motor vehicle in this State unless the vehicle is furnished to a resident operator
- 8 or is used in this State for a gainful purpose. **Section 1** also provides that if a
- 9 resident of another state who is a seasonal resident of this State commutes into this



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State for part-time employment, such activity does not require the vehicle to be registered in this State.

Under existing law, a registered owner who failed to have motor vehicle liability insurance on the date specified by the Department of Motor Vehicles is required to pay to the Department a registration reinstatement fee and, depending on the length of the lapse in coverage, an additional fine. (NRS 482.557) **Section 2** of this bill states that any such fees and fines must be imposed on a per-policy basis and not on a per-vehicle basis, such that the lapse of a policy covering multiple vehicles would not result in multiple fees or fines.

Existing law requires that each motor vehicle which is registered in this State or required to be registered in this State be covered by a policy of motor vehicle liability insurance. (NRS 485.185) Under existing law, a lapse in motor vehicle liability insurance coverage may be cause for the imposition of: (1) a suspension of motor vehicle registration; (2) a registration reinstatement fee; and (3) a penal fine. (NRS 482.557, 485.187, 485.317) **Section 4** of this bill requires the Department of Motor Vehicles to forgive a lapse of motor vehicle liability insurance coverage, and to not impose a fee, fine, suspension or other penalty against the owner of the motor vehicle, if the owner ensures that the motor vehicle is covered by a new or renewed policy of insurance within 24 hours after the previous policy expired or was terminated. **Section 5** of this bill requires the Department to create an administrative appeal process so that if the Department imposes a penalty against a person for failing to ensure that a motor vehicle is covered by a policy of liability insurance, the person may appeal the imposition of that penalty.

Existing law regulates the provisions of and coverage provided by policies of insurance against liability arising out of the ownership, maintenance or use of any motor vehicle. (See, e.g., NRS 690B.017 and 690B.020) **Section 8** of this bill requires such a policy to remain in effect until the last minute of the day upon the date of cancellation, termination or other discontinuance of the policy.

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

Section 1. NRS 482.385 is hereby amended to read as follows:

482.385 1. Except as otherwise provided in ~~subsection~~
~~subsection~~ 5 and ~~7 and~~ NRS 482.390, a nonresident owner of a
vehicle of a type subject to registration pursuant to the provisions of
this chapter, owning any vehicle which has been registered for the
current year in the state, country or other place of which the owner
is a resident and which at all times when operated in this State has
displayed upon it the registration license plate issued for the vehicle
in the place of residence of the owner, may operate or permit the
operation of the vehicle within this State without its registration in
this State pursuant to the provisions of this chapter and without the
payment of any registration fees to this State. ~~1.~~

~~—(a) For a period of not more than 30 days in the aggregate in any
1 calendar year; and~~

~~—(b) Notwithstanding the provisions of paragraph (a), during any
period in which the owner is:~~



~~1 (1) On active duty in the military service of the United~~
~~2 States;~~

~~3 (2) An out-of-state student;~~

~~4 (3) Registered as a student at a college or university located~~
~~5 outside this State and who is in the State for a period of not more~~
~~6 than 6 months to participate in a work-study program for which the~~
~~7 student earns academic credits from the college or university; or~~

~~8 (4) A migrant or seasonal farm worker.}~~

9 2. This section does not:

10 (a) Prohibit the use of manufacturers', distributors' or dealers'
11 license plates issued by any state or country by any nonresident in
12 the operation of any vehicle on the public highways of this State.

13 (b) Require registration of vehicles of a type subject to
14 registration pursuant to the provisions of this chapter operated by
15 nonresident common motor carriers of persons or property, contract
16 motor carriers of persons or property, or private motor carriers of
17 property as stated in NRS 482.390.

18 (c) Require registration of a vehicle operated by a border state
19 employee.

20 3. ~~{Except as otherwise provided in subsection 5, when}~~ **When**
21 a person, formerly a nonresident, becomes a resident of this State,
22 the person shall:

23 (a) Within ~~{30}~~ **60** days after becoming a resident; or

24 (b) At the time he or she obtains a driver's license,

25 ➔ whichever occurs earlier, apply for the registration of each
26 vehicle the person owns which is operated in this State. When a
27 person, formerly a nonresident, applies for a driver's license in this
28 State, the Department shall inform the person of the requirements
29 imposed by this subsection and of the penalties that may be imposed
30 for failure to comply with the provisions of this subsection.

31 ~~{4.}~~ A citation may be issued pursuant to **this** subsection ~~{1, 3~~
32 ~~or 5}~~ only if the violation is discovered when the vehicle is halted or
33 its driver arrested for another alleged violation or offense. The
34 Department shall maintain or cause to be maintained a list or other
35 record of persons who fail to comply with the provisions of **this**
36 subsection ~~{3}~~ and shall, at least once each month, provide a copy of
37 that list or record to the Department of Public Safety.

38 ~~{5. Except as otherwise provided in this subsection, a resident~~
39 ~~or nonresident owner of a vehicle of a type subject to registration~~
40 ~~pursuant to the provisions of this chapter who engages in a trade,~~
41 ~~profession or occupation or accepts gainful employment in this State~~
42 ~~or who enrolls his or her children in a public school in this State~~
43 ~~shall, within 30 days after the commencement of such employment~~
44 ~~or enrollment, apply for the registration of each vehicle the person~~



~~owns which is operated in this State. The provisions of this subsection do not apply to a nonresident who is:~~

~~—(a) On active duty in the military service of the United States;~~

~~—(b) An out-of-state student;~~

~~—(c) Registered as a student at a college or university located outside this State and who is in the State for a period of not more than 6 months to participate in a work-study program for which the student earns academic credits from the college or university; or~~

~~—(d) A migrant or seasonal farm worker.~~

~~6.]~~ **4.** A person who violates the provisions of subsection ~~4.]~~ **3** ~~for 5]~~ is guilty of a misdemeanor and, except as otherwise provided in this subsection, shall be punished by a fine of \$1,000. The fine imposed pursuant to this subsection is in addition to any fine or penalty imposed for the other alleged violation or offense for which the vehicle was halted or its driver arrested pursuant to subsection ~~4.]~~ **3**. The fine imposed pursuant to this subsection may be reduced to not less than \$200 if the person presents evidence at the time of the hearing that the person has registered the vehicle pursuant to this chapter.

~~7.]~~ **5.** Any resident operating upon a highway of this State a motor vehicle which is owned by a nonresident and which is furnished to the resident operator for his or her continuous use within this State, shall cause that vehicle to be registered within ~~30]~~ **60** days after beginning its operation within this State.

~~8.]~~ **6.** A person registering a vehicle pursuant to the provisions of subsection ~~4.]~~ **3**, **5** ~~4.]~~ **or 7** ~~for 9]~~ or pursuant to NRS 482.390:

(a) Must be assessed the registration fees and governmental services tax, as required by the provisions of this chapter and chapter 371 of NRS; and

(b) Must not be allowed credit on those taxes and fees for the unused months of the previous registration.

~~9.]~~ **7.** If a vehicle is used in this State for a gainful purpose, the owner shall immediately apply to the Department for registration, except as otherwise provided in NRS 482.390, 482.395 and 706.801 to 706.861, inclusive.

~~10.]~~ **8.** An owner registering a vehicle pursuant to the provisions of this section shall surrender the existing nonresident license plates and registration certificates to the Department for cancellation.

~~11.]~~ **9.** A vehicle may be cited for a violation of this section regardless of whether it is in operation or is parked on a highway, in a public parking lot or on private property which is open to the public if, after communicating with the owner or operator of the vehicle, the peace officer issuing the citation determines that:

(a) The owner of the vehicle is a resident of this State; **or**



(b) The vehicle is used in this State for a gainful purpose . ~~†;~~
~~—(c) Except as otherwise provided in paragraph (b) of subsection 1, the owner of the vehicle is a nonresident and has operated the vehicle in this State for more than 30 days in the aggregate in any 1 calendar year; or~~
~~—(d) The owner of the vehicle is a nonresident required to register the vehicle pursuant to subsection 5.†~~

➔ As used in this subsection, “peace officer” includes a constable.

10. Nothing in this section requires an owner of a motor vehicle who is a resident of another state but a seasonal resident of this State to register the vehicle in this State on the basis that the owner uses the vehicle to commute to seasonal or part-time employment in this State, provided that the vehicle itself is not used in the performance of such employment. As used in this subsection, “part-time employment” means employment for fewer than 1,000 hours in a calendar year, irrespective of the number of hours worked in a particular week or month.

Sec. 2. NRS 482.557 is hereby amended to read as follows:

482.557 1. Except as otherwise provided in subsection 7 of NRS 485.317, *and section 4 of this act*, if a registered owner failed to have insurance on the date specified by the Department pursuant to NRS 485.317:

(a) For a first offense, the registered owner shall pay to the Department a registration reinstatement fee of \$250, and if the period during which insurance coverage lapsed was:

(1) At least 31 days but not more than 90 days, pay to the Department a fine of \$250.

(2) At least 91 days but not more than 180 days:

(I) Pay to the Department a fine of \$500; and

(II) File and maintain with the Department a certificate of financial responsibility for a period of not less than 3 years following the date on which the registration of the applicable vehicle is reinstated.

(3) More than 180 days:

(I) Pay to the Department a fine of \$1,000; and

(II) File and maintain with the Department a certificate of financial responsibility for a period of not less than 3 years following the date on which the registration of the applicable vehicle is reinstated.

(b) For a second offense, the registered owner shall pay to the Department a registration reinstatement fee of \$500, and if the period during which insurance coverage lapsed was:

(1) At least 31 days but not more than 90 days, pay to the Department a fine of \$500.

(2) At least 91 days but not more than 180 days:



(I) Pay to the Department a fine of \$500; and
(II) File and maintain with the Department a certificate of financial responsibility for a period of not less than 3 years following the date on which the registration of the applicable vehicle is reinstated.

(3) More than 180 days:

(I) Pay to the Department a fine of \$1,000; and
(II) File and maintain with the Department a certificate of financial responsibility for a period of not less than 3 years following the date on which the registration of the applicable vehicle is reinstated.

(c) For a third or subsequent offense:

(1) The driver's license of the registered owner must be suspended for a period to be determined by regulation of the Department but not less than 30 days;

(2) The registered owner shall file and maintain with the Department a certificate of financial responsibility for a period of not less than 3 years following the date on which the registration of the applicable vehicle is reinstated; and

(3) The registered owner shall pay to the Department a registration reinstatement fee of \$750, and if the period during which insurance coverage lapsed was:

(I) At least 31 days but not more than 90 days, pay to the Department a fine of \$500.

(II) At least 91 days but not more than 180 days, pay to the Department a fine of \$750.

(III) More than 180 days, pay to the Department a fine of \$1,000.

2. Notwithstanding any other provision of this section, if a registered owner failed to have insurance on the date specified by the Department pursuant to NRS 485.317, any fee or fine imposed pursuant to this section for a lapse in insurance coverage must be imposed only one time per lapse in coverage, irrespective of the number of vehicles covered under the applicable policy of insurance.

3. A reinstatement fee or fine imposed pursuant to this section may be appealed in accordance with section 5 of this act.

4. As used in this section, "certificate of financial responsibility" has the meaning ascribed to it in NRS 485.028.

Sec. 3. Chapter 485 of NRS is hereby amended by adding thereto the provisions set forth as sections 4 and 5 of this act.

Sec. 4. *If the owner of a motor vehicle that is required to be covered by a policy of liability insurance pursuant to NRS 485.185 ensures that the motor vehicle is covered by a new or renewed policy of liability insurance within 24 hours after the previous*



1 *policy of liability insurance covering the motor vehicle expired or*
2 *was terminated, the Department:*

- 3 1. *Shall forgive the owner for the lapse in coverage; and*
4 2. *Shall not impose against the owner any reinstatement fee,*
5 *fine, suspension or other penalty.*

6 **Sec. 5. 1.** *The Department shall establish an administrative*
7 *appeal process for handling grievances arising from the*
8 *imposition by the Department of a reinstatement fee, fine,*
9 *suspension or other penalty against a person who failed, or is*
10 *alleged to have failed, to ensure that his or her motor vehicle was*
11 *covered by a policy of liability insurance in violation of law.*

12 2. *The process that the Department is required to establish*
13 *pursuant to subsection 1 must include, at a minimum:*

14 (a) *Notice and an opportunity to be heard before a hearing*
15 *officer of the Department; and*

16 (b) *If aggrieved by the decision of a hearing officer, an*
17 *opportunity to appeal that decision to a court of competent*
18 *jurisdiction.*

19 3. *The Department may adopt regulations to carry out the*
20 *provisions of this section.*

21 **Sec. 6.** NRS 485.187 is hereby amended to read as follows:

22 485.187 1. Except as otherwise provided in subsection 5, the
23 owner of a motor vehicle shall not:

24 (a) Operate the motor vehicle, if it is registered or required to be
25 registered in this State, without having insurance as required by
26 NRS 485.185.

27 (b) Operate or knowingly permit the operation of the motor
28 vehicle without having evidence of insurance of the operator or the
29 vehicle in the vehicle.

30 (c) Fail or refuse to surrender, upon demand, to a peace officer
31 or to an authorized representative of the Department the evidence of
32 insurance.

33 (d) Knowingly permit the operation of the motor vehicle in
34 violation of subsection 3 of NRS 485.186.

35 2. A person shall not operate the motor vehicle of another
36 person unless the person who will operate the motor vehicle:

37 (a) First ensures that the required evidence of insurance is
38 present in the motor vehicle; or

39 (b) Has his or her own evidence of insurance which covers that
40 person as the operator of the motor vehicle.

41 3. Except as otherwise provided in subsection 4, any person
42 who violates subsection 1 or 2 is guilty of a misdemeanor. Except as
43 otherwise provided in this subsection, in addition to any other
44 penalty, a person sentenced pursuant to this subsection shall be
45 punished by a fine of not less than \$600 nor more than \$1,000 for



1 each violation. The fine must be reduced to \$100 for the first
2 violation if the person obtains a motor vehicle liability policy by the
3 time of sentencing, unless:

4 (a) The person has registered the vehicle as part of a fleet of
5 vehicles pursuant to subsection 5 of NRS 482.215; or

6 (b) The person has been issued a certificate of self-insurance
7 pursuant to NRS 485.380.

8 4. A court:

9 (a) Shall not find a person guilty or fine a person for a violation
10 of paragraph (a), (b) or (c) of subsection 1 or for a violation of
11 subsection 2 if the person presents evidence to the court that the
12 insurance required by NRS 485.185 was in effect at the time
13 demand was made for it.

14 (b) Except as otherwise provided in paragraph (a), may impose a
15 fine of not more than \$1,000 for a violation of paragraph (a), (b) or
16 (c) of subsection 1, and suspend the balance of the fine on the
17 condition that the person presents proof to the court each month for
18 12 months that the insurance required by NRS 485.185 is currently
19 in effect.

20 5. The provisions of paragraphs (b) and (c) of subsection 1 do
21 not apply if the motor vehicle in question displays a valid permit
22 issued by the Department pursuant to subsection 1 or 2 of NRS
23 482.3955, or NRS 482.396 or 482.3965 authorizing the movement
24 or operation of that vehicle within the State for a limited time.

25 *6. A fine or penalty imposed pursuant to this section may be*
26 *appealed in accordance with section 5 of this act.*

27 **Sec. 7.** NRS 485.317 is hereby amended to read as follows:

28 485.317 1. The Department shall verify that each motor
29 vehicle which is registered in this State is covered by a policy of
30 liability insurance as required by NRS 485.185.

31 2. Except as otherwise provided in this subsection, the
32 Department may use any information to verify whether a motor
33 vehicle is covered by a policy of liability insurance as required by
34 NRS 485.185. The Department may not use the name of the owner
35 of a motor vehicle as the primary means of verifying that a motor
36 vehicle is covered by a policy of liability insurance.

37 3. If the Department is unable to verify that a motor vehicle is
38 covered by a policy of liability insurance as required by NRS
39 485.185, the Department shall send a request for information by
40 first-class mail to the registered owner of the motor vehicle. The
41 owner shall submit all the information which is requested to the
42 Department within 15 days after the date on which the request for
43 information was mailed by the Department. If the Department does
44 not receive the requested information within 15 days after it mailed
45 the request to the owner, the Department shall send to the owner a



1 notice of suspension of registration by certified mail. The notice
2 must inform the owner that unless the Department is able to verify
3 that the motor vehicle is covered by a policy of liability insurance as
4 required by NRS 485.185 within 10 days after the date on which the
5 notice was sent by the Department, the owner's registration will be
6 suspended pursuant to subsection 4.

7 4. The Department shall suspend the registration and require
8 the return to the Department of the license plates of any vehicle for
9 which the Department cannot verify the coverage of liability
10 insurance required by NRS 485.185.

11 5. Except as otherwise provided in subsection 6, the
12 Department shall reinstate the registration of the vehicle and reissue
13 the license plates only upon verification of current insurance and
14 compliance with the requirements for reinstatement of registration
15 prescribed in paragraph (a) of subsection 6 of NRS 482.480.

16 6. If a registered owner proves to the satisfaction of the
17 Department that the vehicle was a dormant vehicle during the period
18 in which the information provided pursuant to NRS 485.314
19 indicated that there was no insurance for the vehicle, the Department
20 shall reinstate the registration and, if applicable, reissue the license
21 plates. If such an owner of a dormant vehicle failed to cancel the
22 registration for the vehicle in accordance with subsection 3 of NRS
23 485.320, the Department shall not reinstate the registration or
24 reissue the license plates unless the owner pays the fee set forth in
25 paragraph (b) of subsection 6 of NRS 482.480.

26 7. If the Department suspends the registration of a motor
27 vehicle pursuant to subsection 4 because the registered owner of the
28 motor vehicle failed to have insurance on the date specified in the
29 form for verification, and if the registered owner, in accordance with
30 regulations adopted by the Department, proves to the satisfaction of
31 the Department that the owner was unable to comply with the
32 provisions of NRS 485.185 on that date because of extenuating
33 circumstances, the Department may:

34 (a) Reinstate the registration of the motor vehicle and reissue the
35 license plates upon payment by the registered owner of a fee of \$50,
36 which must be deposited in the Account for Verification of
37 Insurance created by subsection 6 of NRS 482.480; or

38 (b) Rescind the suspension of the registration without the
39 payment of a fee.

40 ➔ The Department shall adopt regulations to carry out the
41 provisions of this subsection.

42 ***8. The suspension of the registration of a motor vehicle***
43 ***pursuant to this section may be appealed in accordance with***
44 ***section 5 of this act.***



1 **Sec. 8.** Chapter 690B of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *If for any reason, including, without limitation, compliance*
4 *with a request by the policyholder, an insurer cancels, terminates*
5 *or otherwise does not renew a policy of insurance against liability*
6 *arising out of the ownership, maintenance or use of a motor*
7 *vehicle delivered or issued for delivery in this State, the policy*
8 *must remain in effect for all purposes through the last minute of*
9 *the day on the date of cancellation, termination or other*
10 *discontinuance of the policy.*

11 **Sec. 9.** A policy of insurance that is subject to the provisions
12 of chapter 690B of NRS and that is delivered, issued for delivery or
13 renewed on or after the effective date of this act has the legal effect
14 of including the coverage required by section 8 of this act, and any
15 provision of the policy or renewal thereof that is in conflict with that
16 section is void.

17 **Sec. 10.** This act becomes effective upon passage and
18 approval.

