

## Amendment No. 235

Assembly Amendment to Assembly Bill No. 368

(BDR 43-314)

**Proposed by:** Assembly Committee on Transportation**Amends:** Summary: No Title: No 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) variations of green bold underlining is language proposed to be added 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 proposed to be retained in this amendment.

DLJ/JRS



Date: 4/17/2017

A.B. No. 368—Revises provisions governing total loss vehicles. (BDR 43-314)





## ASSEMBLY BILL NO. 368—ASSEMBLYMAN PAUL ANDERSON

MARCH 20, 2017

Referred to Committee on Transportation

SUMMARY—Revises provisions governing total loss vehicles. (BDR 43-314)

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 motor vehicles; revising the circumstances under which a damaged motor vehicle is considered a total loss vehicle; revising provisions governing the calculations of certain costs in considering whether a damaged motor vehicle is a total loss vehicle; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, a motor vehicle which has been wrecked, destroyed or otherwise damaged is considered a "total loss vehicle" if the cost of repair is 65 percent or more of the fair market value of the vehicle immediately before it was wrecked, destroyed or otherwise damaged. Existing law sets forth exceptions to the definition of "total loss vehicle" for: (1) a nonrepairable vehicle; (2) a motor vehicle which is 10 model years or older and which, to restore the vehicle, requires the replacement of only certain parts, regardless of cost; and (3) a motor vehicle that was stolen and recovered, if the motor vehicle has no structural damage and is missing only tires, wheels, audio or video equipment or some combination thereof. (NRS 487.790)

~~[This]~~ **Section 5 of this** bill revises the formula by which a motor vehicle is considered a total loss vehicle by: (1) changing the threshold for the cost of repair to ~~65~~ **75** percent; (2) ~~specifying that the percentage is of the "retail value" of the motor vehicle; and (3)~~ providing requirements for ~~how "retail value"~~ **the manner in which the fair market value of the vehicle** and the costs of parts and labor are calculated for the purposes of applying the formula. ~~[This bill further provides that a motor vehicle obtained by an insurance company in a damage settlement may be declared a total loss vehicle by the insurance company, unless the damage settlement resulted from the vehicle being stolen and recovered. This bill also provides that a motor vehicle is a total loss vehicle if as a result of the damage to the vehicle the owner of the vehicle obtains a salvage title for the vehicle.]~~ The exceptions to the definition of a total loss vehicle remain. **Sections 6 and 7 of this bill make conforming changes.**

**Under existing law, a vehicle that meets the definition of "salvage vehicle" must, before being registered for operation on the highways of this State, be inspected by certain qualified persons and certified to meet certain mechanical and safety standards. An insurance company that obtains such a vehicle in a settlement of damages is required to obtain a salvage title for the vehicle. (NRS 487.800, 487.860) Section 1 of this bill provides a definition for a "seriously damaged repairable vehicle," which includes a vehicle damaged and obtained by an insurance company through a damage settlement. Section 4 of this bill adds the term "seriously damaged repairable vehicle" to the definition of "salvage vehicle," thus providing that a salvage title is required for such a**

vehicle and that the vehicle must be inspected and certified before being registered for operation on the highways of this State. (NRS 487.770) Section 3 of this bill makes a conforming change.

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 a new section to read as follows:**

**1. "Seriously damaged repairable vehicle" means a motor vehicle of the type which is subject to registration and which has been acquired by an insurance company pursuant to a settlement of damages with the owner of the motor vehicle or a person to whom the owner of the motor vehicle is liable for the damage.**

**2. The term does not include:**

**(a) A nonrepairable vehicle.**

**(b) A motor vehicle which is 10 model years old or older and which, to restore the vehicle to its condition before it was wrecked or otherwise damaged and regardless of cost, requires the replacement of only:**

**(1) The hood;**

**(2) The trunk lid;**

**(3) A fender;**

**(4) Two or fewer of the following parts or assemblies, which may be bolted or unbolted:**

**(I) Doors;**

**(II) A grill assembly;**

**(III) A bumper assembly;**

**(IV) A headlight assembly; or**

**(V) A taillight assembly; or**

**(5) Any combination of subparagraph (1), (2), (3) or (4).**

**(c) A motor vehicle that was stolen and subsequently recovered if the motor vehicle:**

**(1) Has no structural damage; and**

**(2) Is missing only tires, wheels or audio or video equipment, or any combination thereof.**

**(d) A motor vehicle which the owner has chosen to retain after a settlement of damages with an insurance company if the motor vehicle is not damaged to such an extent that it meets the definition of a total loss vehicle.**

**Sec. 2. NRS 487.190 is hereby amended to read as follows:**

487.190 The provisions of NRS 487.710 to 487.890, inclusive, and section 1 of this act, do not apply to work or service vehicles owned by an automobile wrecker if such a vehicle is being used solely at the place of business of the automobile wrecker that has been reported to the Department pursuant to NRS 487.073.

**Sec. 3. NRS 487.710 is hereby amended to read as follows:**

487.710 As used in NRS 487.710 to 487.890, inclusive, and section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 487.720 to 487.790, inclusive, and section 1 of this act have the meanings ascribed to them in those sections.

**Sec. 4. NRS 487.770 is hereby amended to read as follows:**

487.770 “Salvage vehicle” means a motor vehicle that at any time has been declared a total loss vehicle, flood-damaged vehicle, seriously damaged repairable vehicle, nonrepairable vehicle or had “salvage” or a similar word or designation placed on any title issued for the vehicle.

~~Section 1~~ **Sec. 5.** NRS 487.790 is hereby amended to read as follows:

487.790 1. “Total loss vehicle” means a motor vehicle ~~+~~

~~(a) Of~~ of a type which is subject to registration ~~+~~ and

~~(b) +~~

~~(a) Which~~ which has been wrecked, destroyed ~~+~~ submerged in water or otherwise damaged to such an extent that the total ~~estimated or actual~~ cost of ~~repair is 65~~ parts and labor required to repair, rebuild or reconstruct the vehicle to a condition that allows for safe and legal operation on the highways of this State and is equivalent to its condition immediately before it was wrecked, destroyed ~~+~~ submerged in water or otherwise damaged is ~~80~~ 75 percent or more of the fair market ~~retail~~ value of the vehicle immediately before it was wrecked, destroyed ~~+~~ submerged in water or otherwise damaged. ~~+~~ except that, for the purposes of this paragraph, the cost of repair does not include the cost of:

~~(1) Painting any portion of the vehicle;~~

~~(2) Replacing electronic components in accordance with the specifications of the manufacturer; or~~

~~(3) Towing the vehicle. +~~

~~(b) Which is declared a total loss by an insurance company which obtained ownership of the vehicle pursuant to a damage settlement other than a damage settlement involving a vehicle which was stolen and recovered; or~~

~~(c) For which vehicle the owner has obtained a salvage title. +~~

2. The term does not include:

(a) A nonrepairable vehicle;

(b) A motor vehicle which is 10 model years old or older and which, to restore the vehicle to its condition before it was wrecked, destroyed ~~+~~ submerged in water or otherwise damaged and regardless of cost, requires the replacement of only:

(1) The hood;

(2) The trunk lid;

(3) A fender;

(4) Two or fewer of the following parts or assemblies, which may be bolted or unbolted:

(I) Doors;

(II) A grill assembly;

(III) A bumper assembly;

(IV) A headlight assembly; or

(V) A taillight assembly; or

(5) Any combination of subparagraph (1), (2), (3) or (4);

(c) A motor vehicle ~~+~~ regardless of the age of the vehicle, for which the cost to repair the vehicle is less than 65 percent of the fair market value of the vehicle immediately before the vehicle was wrecked, destroyed or otherwise damaged, except that, for the purposes of this paragraph, the cost of repair does not include the cost of:

~~(1) Painting any portion of the vehicle;~~

~~(2) Replacing electronic components in accordance with the specifications of the manufacturer; or~~

~~(3) Towing the vehicle; or~~

~~(d) A motor vehicle~~ that was stolen and subsequently recovered, if the motor vehicle:

(1) Has no structural damage; and

(2) Is missing only tires, wheels, audio or video equipment, or some combination thereof.

3. For the purposes of this section ~~the~~:

(a) The cost of labor is calculated using:

(1) The ~~hourly~~ prevailing labor rate ~~which is commonly charged~~ as made available to the public pursuant to NRS 487.686; and

(2) The amount of time which is commonly allocated for the necessary repairs, rebuilding or reconstruction ~~as specified in a current edition of a nationally recognized guide used in this State to estimate the duration of those allocations,~~

in the community for the geographical area in which the repairs, rebuilding or reconstruction will be performed.

(b) The cost of parts is calculated based on the ~~the~~

(1) ~~Current published actual retail price of original manufacturer~~ actual cost of parts ~~the~~

(2) ~~Retail price of new alternative parts; or~~

(3) ~~Actual cost of parts~~ used in the repair or which would be used in the repair ~~if the vehicle were to be repaired.~~

(c) ~~The retail value of a motor vehicle is calculated based on the value set forth in the current edition of any nationally recognized compilation of retail values, including, without limitation, an electronic database, which has been approved by the Department.~~

(d) ~~The~~ model year of manufacture is calculated based on a year beginning on January 1 of the calendar year in which the damage occurs.

Sec. 6. NRS 487.890 is hereby amended to read as follows:

487.890 An estimate of the cost of repair for a motor vehicle pursuant to NRS 487.800 ~~is~~:

1. ~~Must~~ must be calculated using the cost of the parts and labor required to restore the vehicle to the condition it was in immediately before it was wrecked, destroyed or otherwise damaged. The cost of parts and labor must be based on:

(a) ~~1.~~ The current published actual retail price of original manufacturer equipment, retail price of new alternative equipment or the actual cost of used parts.

(b) ~~2.~~ Rates for labor which are commonly charged in the ~~community~~ geographical area in which the repairs will be performed.

~~2. May not include any cost associated with:~~

(a) ~~Painting any portion of the vehicle;~~

(b) ~~Replacing electronic components in accordance with the specifications of the manufacturer; or~~

(c) ~~Towing the vehicle.~~

Sec. 7. NRS 487.725 is hereby repealed.

## TEXT OF REPEALED SECTION

487.725 "Electronic components" defined. "Electronic components" means major electrical or electronic items or parts within a motor vehicle, including, without limitation:

1. Computer control modules for the;

(a) Engine of the vehicle;

(b) Air-conditioning systems and parts thereof;

(c) Traction control systems and parts thereof;

- (d) Antilock braking systems and parts thereof;
- (e) Electrical or electronic items used to power or propel a hybrid vehicle;
- (f) Wiring harnesses; or
- (g) Supplemental restraint systems; and
- 2. Any other major electrical item or part declared by regulation of the Department to be an electronic component.