

**Amendment No. 978**

Assembly Amendment to Senate Bill No. 452 First Reprint (BDR 43-1067)

**Proposed by:** Assemblyman Carrillo

**Amendment Box:** Consistent with Amendment No. 689.

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

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 452 R1 (§ 1).

| 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/BJE



Date: 5/26/2017

S.B. No. 452—Revises provisions governing certificates of title for vehicles.  
(BDR 43-1067)





## SENATE BILL NO. 452—COMMITTEE ON JUDICIARY

MARCH 27, 2017

Referred to Committee on Transportation

SUMMARY—Revises provisions governing certificates of title for vehicles.  
(BDR 43-1067)

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 certificates of title; authorizing the Department of Motor Vehicles to issue a new certificate of title or a state agency to issue a salvage title for a vehicle to a person who is unable to provide a certificate of title for the vehicle and who files a bond with the Department or state agency under certain circumstances; setting forth the requirements for filing the bond; requiring the Department or state agency to return the bond under certain circumstances; abolishing certain rights of action against the Department of Motor Vehicles and any officer or employee of the Department; **requiring certain lienholders to process all notifications and releases of security interests through the electronic lien system established for the Department;** and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, if an applicant for registration of a vehicle or transfer of registration is unable to provide a certificate of title for the vehicle, the Department of Motor Vehicles may issue to the applicant a certificate of title if the Department is satisfied that the applicant has provided information sufficient to establish: (1) legal ownership of the vehicle; or (2) that the applicant is entitled to a new certificate of title. (NRS 482.240, 482.415) Similarly, if an applicant for a salvage title for a vehicle is unable to furnish a certificate of title for the vehicle, the state agency may issue a salvage title if the state agency is satisfied, after examining the circumstances and requiring the filing of suitable information, that the applicant is entitled to a salvage title. (NRS 487.820) Existing law requires a person whose certificate of title is lost, mutilated or illegible to immediately make application for and obtain a duplicate or substitute certificate of title upon furnishing information satisfactory to the Department and payment of the required fees. (NRS 482.285)

**Section 1** of this bill authorizes a person who is unable to provide information satisfactory to the Department that the person is entitled to a new certificate of title or a duplicate or substitute certificate of title for a vehicle to obtain a new certificate of title by: (1) filing a bond with the Department in an amount equal to one and one-half times the value of the vehicle, as determined by the Department; and (2) allowing the Department to inspect the vehicle to verify the vehicle identification number. Such a bond must be conditioned to indemnify prior and subsequent owners or lienholders of the vehicle against any expense, loss or damage because of the issuance of the certificate of title, or because of any defect in or

undisclosed security interest in the applicant's right or title to the vehicle or the applicant's interest in the vehicle. The bond must be returned by the Department at the end of 3 years, unless the Department has been notified of the pendency of an action to recover on the bond. **Section 1** also abolishes any right of action against the Department for taking certain actions or failing to act in providing a certificate of title pursuant to that section. Finally, **section 1** provides that an applicant for a certificate of title pursuant to that section may participate in the Department's electronic lien system. **Section 6** of this bill sets forth the same option for filing a bond and allowing an inspection to obtain a salvage title for a vehicle, and abolishes any right of action against the Department in a manner similar to the provisions of **section 1**. **Sections 2-5** of this bill make conforming changes. Existing law authorizes the Department to adopt regulations specifying the amount of the fees which the Department will charge and collect for each certificate of title or duplicate certificate of title issued. (NRS 482.429) Existing regulations impose a fee of \$20 for each certificate of title or duplicate certificate of title issued for a vehicle present or registered in this State. (NAC 482.907)

Existing law requires the Department to enter into a contract to establish, implement and operate an electronic lien system for use by certain lienholders in lieu of the issuance and maintenance of paper documents otherwise required to process the notification and release of a security interest in a vehicle. (NRS 482.4285) Section 5.5 of this bill requires all lienholders to use the electronic lien system to process all notifications and releases of security interests, with an exception for persons who are not normally engaged in the business or practice of financing vehicles.

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

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**Section 1.** Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. If an applicant who is seeking a certificate of title to a vehicle from the Department pursuant to subsection 3 of NRS 482.240, subsection 1 of NRS 482.285 or subsection 1 of NRS 482.415 is unable to satisfy the Department that the applicant is entitled to a new certificate of title, the applicant may obtain a new certificate of title from the Department by:*

*(a) Filing a bond with the Department that meets the requirements of subsection 3; and*

*(b) Allowing the Department to inspect the vehicle to verify the vehicle identification number.*

*2. Any person damaged by the issuance of a certificate of title pursuant to this section has a right of action to recover on the bond for any breach of its conditions, except the aggregate liability of the surety to all persons must not exceed the amount of the bond. The Department shall return the bond, and any deposit accompanying it, 3 years after the bond was filed with the Department, except that the Department shall not return the bond if the Department has been notified of the pendency of an action to recover on the bond.*

*3. The bond required pursuant to subsection 1 must be:*

*(a) In a form prescribed by the Department;*

*(b) Executed by the applicant as principal and by a corporation qualified under the laws of this State as surety;*

*(c) In an amount equal to one and one-half times the value of the vehicle, as determined by the Department; and*

*(d) Conditioned to indemnify any:*

*(1) Prior owner or lienholder of the vehicle, and his or her successors in interest;*

1           (2) *Subsequent purchaser of the vehicle, and his or her successors in*  
2 *interest; or*

3           (3) *Person acquiring a security interest in the vehicle, and his or her*  
4 *successors in interest,*

5           *against any expense, loss or damage because of the issuance of the certificate*  
6 *of title or because of any defect in or undisclosed security interest in the*  
7 *applicant's right or title to the vehicle or the applicant's interest in the vehicle.*

8           4. *A right of action does not exist in favor of any person by reason of any*  
9 *action or failure to act on the part of the Department or any officer or employee*  
10 *thereof in carrying out the provisions of this section, or in giving or failing to give*  
11 *any information concerning the legal ownership of a vehicle or the existence of a*  
12 *title obtained pursuant to this section.*

13           5. *An applicant seeking a certificate of title pursuant to this section may*  
14 *participate in the electronic lien system authorized in NRS 482.4285.*

15       **Sec. 2.** NRS 482.240 is hereby amended to read as follows:

16       482.240 1. Upon the registration of a vehicle, the Department or a registered  
17 dealer shall issue a certificate of registration to the owner.

18       2. When an applicant for registration or transfer of registration is unable, for  
19 any reason, to submit to the Department in support of the application for  
20 registration, or transfer of registration, such documentary evidence of legal  
21 ownership as, in the opinion of the Department, is sufficient to establish the legal  
22 ownership of the vehicle concerned in the application for registration or transfer of  
23 registration, the Department may issue to the applicant only a certificate of  
24 registration.

25       3. The Department may, upon proof of ownership satisfactory to it ~~it~~ *or*  
26 *pursuant to section 1 of this act*, issue a certificate of title before the registration of  
27 the vehicle concerned. The certificate of registration issued pursuant to this chapter  
28 is valid only during the registration period or calendar year for which it is issued,  
29 and a certificate of title is valid until cancelled by the Department upon the transfer  
30 of interest therein.

31       **Sec. 3.** NRS 482.260 is hereby amended to read as follows:

32       482.260 1. When registering a vehicle, the Department and its agents or a  
33 registered dealer shall:

34       (a) Collect the fees for license plates and registration as provided for in this  
35 chapter.

36       (b) Collect the governmental services tax on the vehicle, as agent for the State  
37 and for the county where the applicant intends to base the vehicle for the period of  
38 registration, unless the vehicle is deemed to have no base.

39       (c) Collect the applicable taxes imposed pursuant to chapters 372, 374, 377 and  
40 377A of NRS.

41       (d) Issue a certificate of registration.

42       (e) If the registration is performed by the Department, issue the regular license  
43 plate or plates.

44       (f) If the registration is performed by a registered dealer, provide information  
45 to the owner regarding the manner in which the regular license plate or plates will  
46 be made available to the owner.

47       2. Upon proof of ownership satisfactory to the Director ~~it~~ *or as otherwise*  
48 *provided in section 1 of this act*, the Director shall cause to be issued a certificate  
49 of title as provided in this chapter.

50       3. Except as otherwise provided in NRS 371.070 and subsections 6, 7 and 8,  
51 every vehicle being registered for the first time in Nevada must be taxed for the  
52 purposes of the governmental services tax for a 12-month period.

4. The Department shall deduct and withhold 2 percent of the taxes collected pursuant to paragraph (c) of subsection 1 and remit the remainder to the Department of Taxation.

5. A registered dealer shall forward all fees and taxes collected for the registration of vehicles to the Department.

6. A trailer being registered pursuant to NRS 482.2065 must be taxed for the purposes of the governmental services tax for a 3-year period.

7. A full trailer or semitrailer being registered pursuant to subsection 3 of NRS 482.483 must be taxed for the purposes of the governmental services tax in the amount of \$86. The governmental services tax paid pursuant to this subsection is nontransferable and nonrefundable.

8. A moped being registered pursuant to NRS 482.2155 must be taxed for the purposes of the governmental services tax for only the 12-month period following the registration. The governmental services tax paid pursuant to this subsection is nontransferable and nonrefundable.

**Sec. 4.** NRS 482.285 is hereby amended to read as follows:

482.285 1. If any certificate of registration or certificate of title is lost, mutilated or illegible, the person to whom it was issued shall immediately make application for and obtain a duplicate or substitute therefor upon furnishing information satisfactory to the Department and upon payment of the required fees. *An applicant who is unable to furnish information satisfactory to the Department that the applicant is entitled to a duplicate or substitute certificate of title pursuant to this subsection may obtain a new certificate of title pursuant to the provisions of section 1 of this act.*

2. If any license plate or plates or any decal is lost, mutilated or illegible, the person to whom it was issued shall immediately make application for and obtain:

(a) A duplicate number plate or a substitute number plate;

(b) A substitute decal; or

(c) A combination of both (a) and (b),

as appropriate, upon furnishing information satisfactory to the Department and payment of the fees required by NRS 482.500.

3. If any license plate or plates or any decal is stolen, the person to whom it was issued shall immediately make application for and obtain:

(a) A substitute number plate;

(b) A substitute decal; or

(c) A combination of both (a) and (b),

as appropriate, upon furnishing information satisfactory to the Department and payment of the fees required by NRS 482.500.

4. The Department shall issue duplicate number plates or substitute number plates and, if applicable, a substitute decal, if the applicant:

(a) Returns the mutilated or illegible plates to the Department or signs a declaration that the plates were lost, mutilated or illegible; and

(b) Complies with the provisions of subsection 6.

5. The Department shall issue substitute number plates and, if applicable, a substitute decal, if the applicant:

(a) Signs a declaration that the plates were stolen; and

(b) Complies with the provisions of subsection 6.

6. Except as otherwise provided in this subsection, an applicant who desires duplicate number plates or substitute number plates must make application for renewal of registration. Except as otherwise provided in subsection 7 or 8 of NRS 482.260, credit must be allowed for the portion of the registration fee and governmental services tax attributable to the remainder of the current registration

period. In lieu of making application for renewal of registration, an applicant may elect to make application solely for:

(a) Duplicate number plates or substitute number plates, and a substitute decal, if the previous license plates were lost, mutilated or illegible; or

(b) Substitute number plates and a substitute decal, if the previous license plates were stolen.

7. An applicant who makes the election described in subsection 6 retains the current date of expiration for the registration of the applicable vehicle and is not, as a prerequisite to receiving duplicate number plates or substitute number plates or a substitute decal, required to:

(a) Submit evidence of compliance with controls over emission; or

(b) Pay the registration fee and governmental services tax attributable to a full period of registration.

**Sec. 5.** NRS 482.415 is hereby amended to read as follows:

482.415 1. Whenever application is made to the Department for registration of a vehicle previously registered pursuant to this chapter and the applicant is unable to present the certificate of registration or certificate of title previously issued for the vehicle because the certificate of registration or certificate of title is lost, unlawfully detained by one in possession or otherwise not available, the Department may receive the application, investigate the circumstances of the case and require the filing of affidavits or other information. When the Department is satisfied that the applicant is entitled to a new certificate of registration and certificate of title, it may register the applicant's vehicle and issue new certificates and a new license plate or plates to the person or persons entitled thereto. *An applicant who is unable to satisfy the Department that the applicant is entitled to a new certificate of title pursuant to this subsection may obtain a new certificate of title pursuant to the provisions of section 1 of this act.*

2. Whenever application is made to the Department for the registration of a motor vehicle of which the:

(a) Ownership has been transferred;

(b) Certificate of title is lost, unlawfully detained by one in possession or otherwise not available; and

(c) Model year is 9 years old or newer,

the transferor of the motor vehicle may, to furnish any information required by the Department to carry out the provisions of NRS 484D.330, designate the transferee of the motor vehicle as attorney-in-fact on a form for a power of attorney provided by the Department.

3. The Department shall provide the form described in subsection 2. The form must be:

(a) Produced in a manner that ensures that the form may not be easily counterfeited; and

(b) Substantially similar to the form set forth in Appendix E of Part 580 of Title 49 of the Code of Federal Regulations.

4. The Department may charge a fee not to exceed 50 cents for each form it provides.

**Sec. 5.5.** NRS 482.4285 is hereby amended to read as follows:

482.4285 1. The Department shall enter into one or more contracts pursuant to this section to establish, implement and operate, in lieu of the issuance and maintenance of paper documents otherwise required by this chapter, an electronic lien system to process the notification and release of security interests through electronic batch file transfers.

2. Any contract entered into pursuant to this section must not require the Department to pay any amount to a contractor unless otherwise provided in this

1 section. A contractor must be required to reimburse the Department for any  
2 reasonable implementation costs directly incurred by the Department during the  
3 establishment and ongoing administration of the electronic lien system. A contract  
4 entered into pursuant to this section must include provisions specifically prohibiting  
5 a contractor from using information concerning vehicle titles for marketing or  
6 solicitation purposes.

7 3. The electronic lien system must allow qualified service providers to  
8 participate in the system. A lienholder may participate in the system through any  
9 qualified service provider approved by the Department for participation in the  
10 system.

11 4. Service providers may be required to collect fees from lienholders and their  
12 agents for the implementation and administration of the electronic lien system. The  
13 amount of the fee collected by a service provider and paid to a contractor for the  
14 establishment and maintenance of the electronic lien system must not exceed \$4 per  
15 transaction.

16 5. A contractor may also serve as a service provider under such terms and  
17 conditions as are established by the Department pursuant to the terms of a contract  
18 entered into pursuant to this section and the regulations adopted by the Department.  
19 If a contractor will also serve as a service provider:

20 (a) The Department may perform audits of the contractor at intervals  
21 determined by the Department to ensure the contractor is not engaged in predatory  
22 pricing. The contractor shall reimburse the Department for the cost of all audits.

23 (b) The contract between the Department and the contractor entered into  
24 pursuant to this section must include an acknowledgement by the contractor that the  
25 contractor is required to enter into agreements to exchange electronic lien data with  
26 all service providers who offer electronic lien and title services to lienholders doing  
27 business in the State of Nevada, have been approved by the Department for  
28 participation in the electronic lien system pursuant to this section and elect to use  
29 the contractor for access to the electronic lien system. A service provider must not  
30 be required to provide confidential or proprietary information to any other service  
31 provider.

32 6. Except for persons who are not normally engaged in the business or  
33 practice of financing vehicles, all lienholders ~~are required to participate in the~~  
34 ~~electronic lien system.~~ shall use the electronic lien system to process all  
35 notifications and releases of security interests through electronic batch file  
36 transfers.

37 7. For the purposes of this chapter, any requirement that a lien or other  
38 information appear on a certificate of title is satisfied by the inclusion of that  
39 information in an electronic file maintained in an electronic lien system. The  
40 satisfaction of a lien may be electronically transmitted to the Department. A  
41 certificate of title is not required to be issued until the lien is satisfied or the  
42 certificate of title is otherwise required to meet the requirements of any legal  
43 proceeding or other provision of law. If a vehicle is subject to an electronic lien, the  
44 certificate of title shall be deemed to be physically held by the lienholder for the  
45 purposes of state or federal law concerning odometer readings and disclosures.

46 8. A certified copy of the Department's electronic record of a lien is  
47 admissible in any civil, criminal or administrative proceeding in this State as  
48 evidence of the existence of the lien. If a certificate of title is maintained  
49 electronically in the electronic lien system, a certified copy of the Department's  
50 electronic record of the certificate of title is admissible in any civil, criminal or  
51 administrative proceeding in this State as evidence of the existence and contents of  
52 the certificate of title.



9. The Director may adopt such regulations as are necessary to carry out the provisions of this section, including, without limitation:

(a) The amount of the fee a service provider is required to charge pursuant to subsection 4 and pay to a contractor for the establishment and maintenance of the electronic lien system.

(b) The qualifications of service providers for participation in the electronic lien system.

(c) The qualifications for a contractor to enter into a contract with the Department to establish, implement and operate the electronic lien system.

(d) Program specifications that a contractor must adhere to in establishing, implementing and operating the electronic lien system.

(e) Additional requirements for and restrictions upon a contractor who will also serve as a service provider.

10. As used in this section:

(a) "Contractor" means a person who, pursuant to this section, enters into a contract with the Department to establish, implement and operate the electronic lien system.

(b) "Electronic lien system" means a system to process the notification and release of security interests through electronic batch file transfers that is established and implemented pursuant to this section.

(c) "Service provider" means a person who, pursuant to this section, provides lienholders with software to manage electronic lien and title data.

**Sec. 6.** NRS 487.820 is hereby amended to read as follows:

487.820 1. Except as otherwise provided in subsection 2 of NRS 487.800, if the applicant for a salvage title is unable to furnish the certificates of title and registration last issued for the vehicle, the state agency may accept the application, examine the circumstances of the case and require the filing of suitable affidavits or other information or documents. If satisfied that the applicant is entitled to a salvage title, the state agency may issue the salvage title.

2. No duplicate certificate of title or registration may be issued when a salvage title is applied for, and no fees are required for the affidavits of any stolen, lost or damaged certificate, or duplicates thereof, unless the vehicle is subsequently registered.

*3. If an applicant who is unable to satisfy the state agency that the applicant is entitled to a salvage title pursuant to subsection 1 wishes to register the vehicle pursuant to the provisions of subsection 6 of NRS 487.800 and NRS 487.860, the applicant may obtain a salvage title from the state agency by:*

*(a) Filing a bond with the state agency that meets the requirements of subsection 5; and*

*(b) Allowing the Department to inspect the vehicle to verify the vehicle identification number and the identification numbers, if any, for parts used to repair the vehicle.*

*4. Any person damaged by the issuance of the salvage title pursuant to subsection 3 has a right of action to recover on the bond for any breach of its conditions, except the aggregate liability of the surety to all persons must not exceed the amount of the bond. The state agency shall return the bond, and any deposit accompanying it, 3 years after the bond was filed with the state agency, except that the state agency must not return the bond if the state agency has been notified of the pendency of an action to recover on the bond.*

*5. The bond required pursuant to subsection 3 must be:*

*(a) In a form prescribed by the state agency;*

*(b) Executed by the applicant as principal and by a corporation qualified under the laws of this State as surety;*

(c) *In an amount equal to one and one-half times the value of the vehicle, as determined by the state agency; and*

(d) *Conditioned to indemnify any:*

(1) *Prior owner or lienholder of the vehicle, and his or her successors in interest;*

(2) *Subsequent purchaser of the vehicle, and his or her successors in interest; or*

(3) *Person acquiring a security interest in the vehicle, and his or her successors in interest,*

*↪ against any expense, loss or damage because of the issuance of the salvage title or because of any defect in or undisclosed security interest in the applicant's right or title to the vehicle or the applicant's interest in the vehicle.*

6. *A right of action does not exist in favor of any person by reason of any action or failure to act on the part of the Department or any officer or employee thereof in carrying out the provisions of subsections 3, 4 and 5, or in giving or failing to give any information concerning the legal ownership of a vehicle or the existence of a salvage title obtained pursuant to subsection 3.*

Sec. 7. ~~1. This act becomes effective:~~

~~1. Upon~~ section becomes effective upon passage and approval.

2. Sections 1 to 6, inclusive of this act become effective upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act. ~~1. and~~

~~2. On~~

3. Section 5.5 of this act becomes effective on July 1, 2017, for all other purposes.

4. Sections 1 to 5, inclusive, and 6 of this act become effective on July 1, 2018, for all other purposes.