

SENATE BILL NO. 22—COMMITTEE ON
GROWTH AND INFRASTRUCTURE

(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

PREFILED NOVEMBER 15, 2018

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises the definition of salvage vehicle.
(BDR 43-227)

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 salvage vehicles; revising the definition of
salvage vehicle; and providing other matters properly
relating thereto.

Legislative Counsel's Digest:

1 Existing law defines the terms “nonrepairable vehicle” and “salvage vehicle.”
2 A salvage vehicle is a motor vehicle that has been declared a total loss vehicle,
3 flood-damaged vehicle, nonrepairable vehicle or had “salvage” or a similar word or
4 designation placed on any title issued for the vehicle. (NRS 487.760, 487.770)
5 **Section 2** of this bill revises the definition of “salvage vehicle” to remove from the
6 definition a motor vehicle which has at any time been declared a nonrepairable
7 vehicle and to include a motor vehicle that has had “salvage” or a similar word or
8 designation issued electronically for the motor vehicle or placed on any certificate
9 or other document issued for the vehicle. **Sections 1, 3 and 4** of this bill make
10 conforming changes.

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

1 **Section 1.** NRS 482.098 is hereby amended to read as follows:
2 482.098 1. “Rebuilt vehicle” means a vehicle:
3 (a) That is a salvage vehicle as that term is defined in NRS
4 487.770 ; ~~[-excluding a nonrepairable vehicle;-]~~ or



(b) One or more major components of which have been replaced as set forth in this subsection. For the purposes of this subsection, the requisite major components of a vehicle which must be replaced for a vehicle to be considered rebuilt are the:

- (1) Cowl assembly;
- (2) Rear clip assembly;
- (3) Roof assembly;
- (4) Floor pan assembly;
- (5) Conventional frame coupled with one additional major component; or
- (6) Complete front inner structure for a unibody.

2. The term does not include a vehicle for which the only change is the installation of a truck cab assembly.

3. For the purposes of this section, "replaced" means the substitution, or change in whole, of a new, used or after-market part of a vehicle.

Sec. 2. 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 ~~to~~ ~~nonrepairable vehicle~~ or had "salvage" or a similar word or designation *issued electronically for the vehicle or* placed on any title, *certificate or other document* issued for the vehicle.

Sec. 3. NRS 487.800 is hereby amended to read as follows:

487.800 1. When an insurance company acquires a motor vehicle as a result of a settlement in which the motor vehicle is determined to be a salvage vehicle, the owner of the motor vehicle who is relinquishing ownership of the motor vehicle shall endorse the certificate of title of the motor vehicle and forward the endorsed certificate of title to the insurance company within 30 days after accepting the settlement from the insurance company. The insurance company or its authorized agent shall forward the endorsed certificate of title, together with an application for a salvage title or nonrepairable vehicle certificate, to the state agency within 180 days after receipt of the endorsed certificate of title.

2. If the owner of the motor vehicle who is relinquishing ownership does not provide the endorsed certificate of title to the insurance company within 30 days after accepting the settlement pursuant to subsection 1, the insurance company shall, within 180 days after the expiration of that 30-day period, forward an application for a salvage title or nonrepairable vehicle certificate to the state agency. The state agency shall issue a salvage title or nonrepairable vehicle certificate to the insurance company for the vehicle upon receipt of:



(a) The application;

(b) A motor vehicle inspection certificate signed by a representative of the Department or, as one of the authorized agents of the Department, by a peace officer, dealer, rebuilder, automobile wrecker, operator of a salvage pool or garage operator;

(c) Documentation that the insurance company has made at least two written attempts by certified mail, return receipt requested, or by use of a delivery service with a tracking system, to obtain the endorsed certificate of title; and

(d) Proof satisfactory to the state agency that the certificate of title was required to be surrendered to the insurance company as part of the settlement.

3. Except as otherwise provided in subsections 1 and 2, before any ownership interest in a salvage vehicle ~~{, except a nonrepairable vehicle,}~~ may be transferred, the owner or other person to whom the motor vehicle is titled:

(a) If the person has possession of the certificate of title to the vehicle, shall forward the endorsed certificate of title, together with an application for salvage title to the state agency within 30 days after the vehicle becomes a salvage vehicle.

(b) If the person does not have possession of the certificate of title to the vehicle and the certificate of title is held by a lienholder, shall notify the lienholder within 10 days after the vehicle becomes a salvage vehicle that the vehicle has become a salvage vehicle. The lienholder shall, within 30 days after receiving such notice, forward the certificate of title, together with an application for salvage title, to the state agency.

4. An insurance company or its authorized agent may sell a vehicle for which a total loss settlement has been made with the properly endorsed certificate of title if the total loss settlement resulted from the theft of the vehicle and the vehicle, when recovered, was not a salvage vehicle.

5. An owner who has determined that a vehicle is a total loss salvage vehicle may sell the vehicle with the properly endorsed certificate of title obtained pursuant to this section, without making any repairs to the vehicle, to a salvage pool, automobile auction, rebuilder, automobile wrecker or a new or used motor vehicle dealer.

6. ~~{Except with respect to a nonrepairable vehicle, if}~~ ~~If~~ a salvage vehicle is rebuilt and restored to operation, the vehicle may not be licensed for operation, displayed or offered for sale, or the ownership thereof transferred, until there is submitted to the state agency with the prescribed salvage title, an appropriate application, other documents, including, without limitation, an affidavit from the state agency attesting to the inspection and verification of the



vehicle identification number and the identification numbers, if any, for parts used to repair the motor vehicle and fees required, together with a certificate of inspection completed pursuant to NRS 487.860.

7. ~~Except with respect to a nonrepairable vehicle, if~~ If a total loss insurance settlement between an insurance company and any person results in the retention of the salvage vehicle by that person, before the execution of the total loss settlement, the insurance company or its authorized agent shall:

(a) Obtain, upon an application for salvage title, the signature of the person who is retaining the salvage vehicle;

(b) Append to the application for salvage title the certificate of title to the motor vehicle or an affidavit stating that the original certificate of title has been lost; and

(c) Apply to the state agency for a salvage title on behalf of the person who is retaining the salvage vehicle.

8. If the state agency determines that a salvage vehicle retained pursuant to subsection 6 is titled in another state or territory of the United States, the state agency shall notify the appropriate authority of that state or territory that the owner has retained the salvage vehicle.

9. A person who retains a salvage vehicle pursuant to subsection 7 may not transfer any ownership interest in the vehicle unless he or she has received a salvage title.

Sec. 4. NRS 487.860 is hereby amended to read as follows:

487.860 1. ~~Except with respect to a nonrepairable vehicle, a~~ A vehicle for which a salvage title has been issued may not subsequently be registered until it has been inspected by a garage operator who operates a garage that is registered pursuant to NRS 487.560, by the owner of a body shop licensed pursuant to NRS 487.630, by a rebuilder licensed pursuant to NRS 482.325 or by a qualified employee of such a garage, body shop or rebuilder, and is certified to be in a safe mechanical condition and equipped with all safety equipment required by the manufacturer.

2. If a garage operator, an owner of a body shop or a rebuilder, or a qualified employee thereof, who performs an inspection pursuant to subsection 1 finds the vehicle to be in a safe mechanical condition and equipped with all safety equipment required by the manufacturer, the garage operator, owner of the body shop, rebuilder or qualified employee shall complete and sign a certificate of inspection, on a form prescribed by the state agency, attesting to the mechanical fitness and safety of the vehicle and to any mechanical or other work that was performed on the vehicle at the garage or body shop. The certificate of inspection must indicate that the motor vehicle has been repaired to the standards of the manufacturer and any safety equipment, including, without



1 limitation, any occupant restraint devices, that were present in the
2 vehicle at the time the vehicle was manufactured are present and
3 operational to the specifications of the manufacturer.

4 **Sec. 5.** This act becomes effective upon passage and approval.

