

SENATE BILL NO. 491—SENATORS WASHINGTON, DENIS; BROOKS,
CANNIZZARO, DONDERO LOOP, RATTI, SPEARMAN AND
WOODHOUSE

MARCH 27, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions concerning salvage vehicles.
(BDR 43-135)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to salvaged vehicles; authorizing a salvage pool to tow and store certain abandoned vehicles and providing that such a salvage pool has a lien on the vehicle for the costs of towing and storage; revising provisions relating to obtaining a salvage title for a vehicle that is the object of certain insurance settlements; revising provisions relating to the issuance of a salvage title by the Department of Motor Vehicles; revising provisions relating to a lien on certain vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the removal of an abandoned vehicle by the operator of a tow car or an automobile wrecker. The vehicle is to be taken to the nearest garage or other place designated for storage. (NRS 487.230) If the vehicle is appraised as a junk vehicle, the Department of Motor Vehicles may issue a junk certificate to the automobile wrecker or tow operator who removed the vehicle, and the automobile wrecker may process the vehicle for parts or scrap metal. (NRS 487.260) A garage or automobile wrecker to which the abandoned vehicle is removed has a lien on the vehicle for the costs of towing and storage. (NRS 487.270) **Sections 1, 3 and 4** of this bill authorize a salvage pool to tow or store such an abandoned vehicle, and to have a lien on the vehicle for the costs of towing and storage. **Section 2** of this bill makes a conforming change.

Existing law requires the owner of a motor vehicle who enters into a settlement with an insurance company in which the motor vehicle is determined to be a salvage vehicle, to endorse the certificate of title of the motor vehicle and forward the certificate of title to the insurance company within 30 days after accepting the settlement. The insurance company is required to forward an application for a



* S B 4 9 1 *

salvage title for the motor vehicle to the Department within 180 days. If the owner of the motor vehicle does not provide the endorsed certificate of title to the insurance company within 30 days, the insurance company must forward an application for a salvage title within 180 days after the expiration of the 30-day period. (NRS 487.800) **Section 5** of this bill instead requires the insurance company, in a case where the owner has not provided the endorsed certificate of title within the 30-day period, to forward an application for a salvage title to the Department as soon as practicable.

Existing law requires the Department to issue a salvage title for a vehicle within 2 days after receiving an application for the salvage title along with certain required information about the vehicle. (NRS 487.810) **Section 6** of this bill prohibits the Department from issuing a salvage title, or entering any notation on a title or any other record pertaining to the vehicle, based on information obtained from or reported to the National Motor Vehicle Title Information System established pursuant to federal law, or any regulations promulgated thereunder. (49 U.S.C. § 30502) **Section 5** applies the same prohibition to the issuing of or entering notations on a nonrepairable vehicle certificate. (NRS 487.800)

Existing law authorizes the Department, when an applicant is unable to satisfy the Department by the submission of various documents that the applicant is entitled to a salvage title, to issue the salvage title if the applicant files a bond with the Department and allows the Department to inspect the vehicle and conduct a search through certain national crime information databases. The bond must be in an amount equal to one and one-half times the value of the vehicle. (NRS 487.820) **Section 7** of this bill revises the amount of the required bond to 25 percent of the value of the vehicle.

Existing law provides that certain persons who store a vehicle at the request of or with the consent of the owner or the owner's representative, or at the direction of law enforcement or certain other authorized persons, has a lien upon the vehicle for the sum due for certain costs, including the towing and storage of the vehicle. Such a person may keep the vehicle until the sum due is paid. (NRS 108.270) **Section 8** of this bill provides that, in the case of a vehicle that has been towed and stored as part of an insurance claim or a charitable donation, the lienholder is not required to obtain or submit a storage agreement signed by the legal owner or registered owner of the vehicle to enforce such a lien.

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

Section 1. NRS 487.230 is hereby amended to read as follows:
487.230 1. Except as otherwise provided in NRS 487.235, any sheriff or designee of a sheriff, constable, member of the Nevada Highway Patrol, officer of the Legislative Police, investigator of the Division of Compliance Enforcement of the Department, personnel of the Capitol Police Division of the Department of Public Safety, designated employees of the Housing Division of the Department of Business and Industry, special investigator employed by the office of a district attorney, marshal or police officer of a city or town or his or her designee, a marshal or park ranger who is part of a unit of specialized law enforcement established pursuant to NRS 280.125, or any other person charged



1 with the enforcement of county or city ordinances who has reason to
2 believe that a vehicle has been abandoned on public property in his
3 or her jurisdiction may remove the vehicle from that property or
4 cause the vehicle to be removed from that property. At the request
5 of the owner or person in possession or control of private property
6 who has reason to believe that a vehicle has been abandoned on his
7 or her property, the vehicle may be removed by the operator of a
8 tow car , ~~for~~ an automobile wrecker *or a salvage pool* from that
9 private property.

10 2. A person who authorizes the removal of an abandoned
11 vehicle pursuant to subsection 1 shall:

12 (a) Have the vehicle taken to the nearest garage , *salvage pool* or
13 other place designated for storage by:

14 (1) The state agency or political subdivision making the
15 request if the vehicle is removed from public property.

16 (2) The owner or person in possession or control of the
17 property if the vehicle is removed from private property.

18 (b) Make all practical inquiries to ascertain if the vehicle is
19 stolen by checking the license plate number, vehicle identification
20 number and other available information which will aid in identifying
21 the registered and legal owner of the vehicle and supply the
22 information to the person who is storing the vehicle.

23 **Sec. 2.** NRS 487.250 is hereby amended to read as follows:

24 487.250 1. The state agency or political subdivision shall,
25 within 48 hours after the appraisal, notify the head of the state
26 agency of the removal of the vehicle. The notice must contain:

27 (a) A description of the vehicle.

28 (b) The appraised value of the vehicle.

29 (c) A statement as to whether the vehicle will be junked,
30 dismantled or otherwise disposed of.

31 2. The person who removed the vehicle must notify the
32 registered owner and any person having a security interest in the
33 vehicle by registered or certified mail that the vehicle has been
34 removed and will be junked or dismantled or otherwise disposed of
35 unless the registered owner or the person having a security interest
36 in the vehicle responds and pays the costs of removal.

37 3. Failure to reclaim within 15 days after notification a vehicle
38 appraised at \$500 or less constitutes a waiver of interest in the
39 vehicle by any person having an interest in the vehicle.

40 4. If all recorded interests in a vehicle appraised at \$500 or less
41 are waived, either as provided in subsection 3 or by written
42 disclaimer by any person having an interest in the vehicle, the state
43 agency, except as otherwise provided in subsection 3 of NRS
44 487.100, shall issue a salvage title pursuant to NRS 487.810 to the
45 automobile wrecker *or salvage pool* who towed the vehicle or to



1 whom the vehicle may have been delivered, or a certificate of title to
2 the garage owner if the garage owner elects to retain the vehicle and
3 the vehicle is equipped as required by chapter 484D of NRS.

4 **Sec. 3.** NRS 487.260 is hereby amended to read as follows:

5 487.260 1. If the vehicle is appraised at a value of more than
6 \$500, the state agency or political subdivision shall dispose of it as
7 provided in NRS 487.270.

8 2. If the vehicle is appraised as a junk vehicle, the Department
9 may issue a junk certificate to the automobile wrecker, *salvage pool*
10 or tow operator who removed the vehicle.

11 3. An automobile wrecker who possesses a junk certificate for
12 a junk vehicle may process the vehicle for parts or scrap metal
13 pursuant to NRS 487.105.

14 4. A vehicle for which a junk certificate has been issued may
15 be sold to an automobile wrecker by the person to whom the junk
16 certificate was issued by the seller's endorsement on the certificate.
17 Except as otherwise provided in subsection 3 of NRS 487.100, an
18 automobile wrecker who purchases a vehicle for which a junk
19 certificate has been issued shall immediately affix the business name
20 of the automobile wrecker as purchaser to the first available space
21 provided on the reverse side of the certificate. For the purposes of
22 this subsection, such an automobile wrecker is the owner of the junk
23 vehicle.

24 5. If insufficient space exists on the reverse side of a junk
25 certificate to transfer the vehicle pursuant to subsection 4, except as
26 otherwise provided in subsection 3 of NRS 487.100, an automobile
27 wrecker who purchases a junk vehicle for which a junk certificate
28 has been previously issued shall, within 10 days after purchase,
29 apply to the Department for a new junk certificate and surrender the
30 original certificate.

31 6. A person who sells a junk vehicle shall maintain, for at least
32 2 years, a copy of the junk certificate and a record of the name and
33 address of the person from whom the vehicle was acquired and the
34 date thereof. The person shall allow any peace officer or any
35 investigator employed by a state agency to inspect the records
36 during business hours.

37 7. An automobile wrecker who processes a junk vehicle for
38 parts or scrap metal shall maintain records as required by
39 NRS 487.170.

40 8. As used in this section, "junk vehicle" means a vehicle,
41 including component parts, which:

42 (a) Has been discarded or abandoned;

43 (b) Has been ruined, wrecked, dismantled or rendered
44 inoperative;



(c) Is unfit for further use in accordance with the original purpose for which it was constructed;

(d) Is not registered with the Department or has not been reclaimed by the registered owner or a person having a security interest in the vehicle within 15 days after notification pursuant to NRS 487.250; and

(e) Has value principally as scrap which does not exceed \$200.

Sec. 4. NRS 487.270 is hereby amended to read as follows:

487.270 1. Whenever a vehicle has been removed to a garage , *salvage pool* or other place as provided by NRS 487.230, the owner of the garage , ~~for~~ the automobile wrecker *or the salvage pool* who towed the vehicle has a lien on the vehicle for:

(a) The costs of towing and storing for a period not exceeding 90 days; and

(b) If the vehicle was removed from public property at the request of a constable, the fee described in paragraph (d) of subsection 2 of NRS 258.125.

2. If the vehicle is appraised at a value of \$500 or less and is not reclaimed within the period prescribed in NRS 487.250, the owner of the garage , ~~for~~ automobile wrecker *or salvage pool* may satisfy his or her lien by retaining the vehicle and obtaining a certificate pursuant to NRS 487.880, if applicable, or a salvage title as provided in NRS 487.810.

3. If the vehicle is appraised at a value of more than \$500 and is not reclaimed within 45 days, the owner of the garage , ~~for~~ automobile wrecker *or salvage pool* may satisfy his or her lien, in accordance with the provisions of NRS 108.265 to 108.367, inclusive. Before such a person may sell the vehicle, the person shall obtain a certificate pursuant to NRS 487.880, if applicable, or a salvage title as provided in NRS 487.810.

4. If the vehicle was removed from public property at the request of a constable and the owner of the garage , ~~for~~ automobile wrecker *or salvage pool* satisfies his or her lien pursuant to subsection 2 or 3, the owner of the garage , ~~for~~ automobile wrecker *or salvage pool* shall transmit to the constable the fee described in paragraph (d) of subsection 2 of NRS 258.125.

Sec. 5. 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~~ *Except as otherwise provided in subsection 2, the* insurance company or its



1 authorized agent shall forward the endorsed certificate of title,
2 together with an application for a salvage title or nonrepairable
3 vehicle certificate, to the state agency within 180 days after receipt
4 of the endorsed certificate of title.

5 2. If the owner of the motor vehicle who is relinquishing
6 ownership does not provide the endorsed certificate of title to the
7 insurance company within 30 days after accepting the settlement
8 pursuant to subsection 1, the insurance company shall, ~~[within 180~~
9 ~~days after the expiration of that 30 day period.]~~ *as soon as*
10 *practicable*, forward an application for a salvage title or
11 nonrepairable vehicle certificate to the state agency. ~~[The]~~ *Except as*
12 *otherwise provided in subsection 10, the* state agency shall issue a
13 salvage title or nonrepairable vehicle certificate to the insurance
14 company for the vehicle upon receipt of:

15 (a) The application;

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

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

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

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

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

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

42 4. An insurance company or its authorized agent may sell a
43 vehicle for which a total loss settlement has been made with the
44 properly endorsed certificate of title if the total loss settlement



1 resulted from the theft of the vehicle and the vehicle, when
2 recovered, was not a salvage vehicle.

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

9 6. Except with respect to a nonrepairable vehicle, if a salvage
10 vehicle is rebuilt and restored to operation, the vehicle may not be
11 licensed for operation, displayed or offered for sale, or the
12 ownership thereof transferred, until there is submitted to the state
13 agency with the prescribed salvage title, an appropriate application,
14 other documents, including, without limitation, an affidavit from the
15 state agency attesting to the inspection and verification of the
16 vehicle identification number and the identification numbers, if any,
17 for parts used to repair the motor vehicle and fees required, together
18 with a certificate of inspection completed pursuant to NRS 487.860.

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

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

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

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

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

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

39 ***10. The Department shall not issue a nonrepairable vehicle***
40 ***certificate, or enter any notation on a title or any record pertaining***
41 ***to a vehicle, based on information obtained from or reported to the***
42 ***National Motor Vehicle Title Information System established***
43 ***pursuant to 49 U.S.C. § 30502, and any regulations promulgated***
44 ***thereunder.***



Sec. 6. NRS 487.810 is hereby amended to read as follows:

487.810 1. The state agency may issue a salvage title for a vehicle, which contains a brief description of the vehicle, including, insofar as data may exist with respect to the vehicle, the make, type, serial number and motor number, or any other number of the vehicle, upon application, to:

(a) The owner of the vehicle;

(b) The person to whom the vehicle is titled;

(c) An insurance company that acquires the vehicle as a salvage vehicle pursuant to subsection 1 of NRS 487.800; or

(d) A lienholder who acquires title to the vehicle.

2. A properly endorsed title, together with a disclosure of mileage, as required pursuant to the provisions of 49 U.S.C. §§ 32701 et seq. and 49 C.F.R. § 580.5, must be submitted with the application for salvage title.

3. ~~[Within]~~ *Except as otherwise provided in subsection 7, within* 2 days after receiving all necessary documents, the state agency shall issue a salvage title for the vehicle.

4. Except as otherwise provided in this subsection, the state agency shall charge and collect a fee of \$10 for the issuance of a salvage title pursuant to this section. The state agency shall not charge a fee for the issuance of a salvage title to an automobile wrecker licensed in this State. Fees collected by the state agency pursuant to this subsection must be deposited with the State Treasurer for credit to the Revolving Account for the Issuance of Salvage Titles created by NRS 487.825.

5. Ownership interest in a salvage vehicle may not be transferred unless a salvage title has been issued by the state agency for the vehicle.

6. Possession of a salvage title does not entitle a person to dismantle, scrap, process or wreck any vehicle in this State unless the person holds a license issued pursuant to NRS 487.050.

7. The Department shall not ~~[issue]~~ :

(a) *Issue* a salvage title for a nonrepairable vehicle.

(b) *Issue a salvage title, or enter any notation on a title or any record pertaining to a vehicle,*

↪ based on information obtained from or reported to the National Motor Vehicle Title Information System established pursuant to 49 U.S.C. § 30502, and any regulations promulgated thereunder.

Sec. 7. 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



1 information or documents. If satisfied that the applicant is entitled to
2 a salvage title, the state agency may issue the salvage title.

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

7 3. If an applicant is unable to satisfy the state agency that the
8 applicant is entitled to a salvage title pursuant to subsection 1, the
9 applicant may obtain a salvage title from the state agency by:

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

12 (b) Allowing the state agency to inspect the vehicle to verify the
13 vehicle identification number and the identification numbers, if any,
14 for parts used to repair the vehicle; and

15 (c) Authorizing the state agency to conduct a search through any
16 national crime information system, including, without limitation,
17 the:

18 (1) National Crime Information Center, as defined in NRS
19 179A.061; and

20 (2) National Motor Vehicle Title Information System of the
21 United States Department of Justice.

22 4. Any person damaged by the issuance of the salvage title
23 pursuant to subsection 3 has a right of action to recover on the bond
24 for any breach of its conditions, except the aggregate liability of the
25 surety to all persons must not exceed the amount of the bond. The
26 state agency shall return the bond, and any deposit accompanying it,
27 3 years after the bond was filed with the state agency, except that
28 the state agency must not return the bond if the state agency has
29 been notified of the pendency of an action to recover on the bond.

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

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

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

34 (c) In an amount equal to ~~one and one-half times~~ 25 percent of
35 the value of the vehicle, as determined by the state agency; and

36 (d) Conditioned to indemnify any:

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

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

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

43 ➡ against any expense, loss or damage because of the issuance of
44 the salvage title or because of any defect in or undisclosed security



1 interest in the applicant's right or title to the vehicle or the
2 applicant's interest in the vehicle.

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

9 **Sec. 8.** NRS 108.270 is hereby amended to read as follows:

10 108.270 Subject to the provisions of NRS 108.315:

11 1. A person engaged in the business of:

12 (a) Buying or selling automobiles;

13 (b) Keeping a garage or place for the storage, maintenance,
14 keeping or repair of motor vehicles, motorcycles, motor equipment,
15 trailers, mobile homes or manufactured homes, including the
16 operator of a salvage pool; or

17 (c) Keeping a mobile home park, mobile home lot or other land
18 for rental of spaces for trailers, mobile homes or manufactured
19 homes,

20 and who in connection therewith stores, maintains, keeps or
21 repairs any motor vehicle, motorcycle, motor equipment, trailer,
22 mobile home or manufactured home, or furnishes accessories,
23 facilities, services or supplies therefor, at the request or with the
24 consent of the owner or the owner's representatives, or at the
25 direction of any peace officer or other authorized person who orders
26 the towing or storage of any vehicle through any action permitted by
27 law, has a lien upon the motor vehicle, motorcycle, motor
28 equipment, trailer, mobile home or manufactured home or any part
29 or parts thereof for the sum due for the towing, storing, maintaining,
30 keeping or repairing of the motor vehicle, motorcycle, motor
31 equipment, trailer, mobile home or manufactured home or for labor
32 furnished thereon, or for furnishing accessories, facilities, services
33 or supplies therefor, and for all costs incurred in enforcing such a
34 lien.

35 2. A person engaged in the business of keeping a recreational
36 vehicle park who, at the request or with the consent of the owner of
37 a recreational vehicle or the owner's representative, furnishes
38 facilities or services in the recreational vehicle park for the
39 recreational vehicle, has a lien upon the recreational vehicle for the
40 amount of rent due for furnishing those facilities and services, and
41 for all costs incurred in enforcing such a lien.

42 3. A person who at the request of the legal owner performed
43 labor on, furnished materials or supplies or provided storage for any
44 aircraft, aircraft equipment or aircraft parts is entitled to a lien for



1 such services, materials or supplies and for the costs incurred in
2 enforcing the lien.

3 4. A person who owns private property on which a recreational
4 vehicle is abandoned has a lien upon the recreational vehicle for the
5 amount of rent due for the use of the private property to store the
6 recreational vehicle and for the costs incurred in enforcing the lien.

7 5. Any person who is entitled to a lien as provided in
8 subsections 1 to 4, inclusive, may, without process of law, detain the
9 motor vehicle, motorcycle, motor equipment, trailer, recreational
10 vehicle, mobile home, manufactured home, aircraft, aircraft
11 equipment or aircraft parts at any time it is lawfully in the person's
12 possession until the sum due is paid.

13 6. *This section shall not be construed to require a lienholder*
14 *to obtain or submit a storage agreement signed by the legal owner*
15 *or the registered owner of a vehicle to enforce a lien in the case of*
16 *storage of a vehicle which is based on:*

17 (a) *An insurance claim; or*

18 (b) *A charitable donation.*

19 7. As used in this section, "private property" means any
20 property not owned by a governmental entity or devoted to public
21 use.

22 **Sec. 9.** This act becomes effective on July 1, 2019.

