

Senate Bill No. 491—Senators Washington, Denis; Brooks, Cannizzaro, Dondero Loop, Ratti, Spearman and Woodhouse

CHAPTER.....

AN ACT relating to vehicles; revising provisions relating to obtaining a salvage title or a nonrepairable vehicle certificate for a vehicle that is the object of certain insurance settlements or donations; revising provisions relating to the issuance of a salvage title or a nonrepairable vehicle certificate 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 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 salvage title for the motor vehicle to the Department of Motor Vehicles 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.

Section 5 also provides that the Department shall issue a salvage title or a nonrepairable vehicle certificate in certain circumstances to a: (1) salvage pool who obtains the vehicle from an insurance company and the vehicle is abandoned at the facility of the salvage pool for more than 30 days; and (2) charitable organization that obtains a vehicle through a donation and is unable to obtain an endorsed certificate of title. **Section 6** of this bill makes a conforming change and requires the Department to charge a fee for the issuance of such a salvage title. (NRS 487.810)

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 operators of storage facilities who store a motor vehicle, boat or personal watercraft have a lien upon the motor vehicle, boat or personal watercraft for the sum due for certain costs, and certain remedies are provided. (NRS 108.4763) **Section 8.5** of this bill adds a trailer used to transport such a motor vehicle, boat or personal watercraft to the list of personal property that such a lien may include. **Section 8.3** of this bill makes a conforming change.



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

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

Sections 1-4. (Deleted by amendment.)

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 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,]~~ *as soon as practicable,* forward an application for a salvage title or nonrepairable vehicle certificate to the state agency. ~~[The]~~ *Except as otherwise provided in subsections 10 and 11, 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 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 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.

10. When a salvage pool, at the request of an insurance company, obtains possession of a vehicle that is the subject of an insurance claim and a total loss claim is not paid by the insurance company for the vehicle, the salvage pool, after the vehicle has been abandoned at the facility of the salvage pool for not less than 30 days, may apply for a salvage title or a nonrepairable vehicle certificate. The state agency shall issue a salvage title or nonrepairable vehicle certificate to the salvage pool 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; and

(c) Documentation that the salvage pool has made at least two written attempts by certified mail, return receipt requested, or by use of a delivery service with a tracking system addressed to the owner of the vehicle and any known lienholder to have the vehicle removed from the facility of the salvage pool.

11. When an organization that the Secretary of the Treasury has determined to be tax exempt pursuant to the provisions of section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), obtains a vehicle by donation and the organization is unable to obtain the endorsed certificate of title, the organization may apply for a salvage title or a nonrepairable vehicle certificate. The state agency shall issue a salvage title or nonrepairable vehicle certificate to the organization 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; and

(c) Evidence satisfactory to the Department that the organization made at least two written attempts, mailed to the address of the previous owner of the vehicle, to obtain the endorsed certificate of title.

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; ~~for~~

(d) A lienholder who acquires title to the vehicle ~~to~~;

(e) A salvage pool who acquires the vehicle pursuant to subsection 10 of NRS 487.800; or

(f) An organization that acquires the vehicle pursuant to subsection 11 of NRS 487.800.

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 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 salvage title for a nonrepairable vehicle.

Sec. 7. NRS 487.820 is hereby amended to read as follows:

487.820 1. Except as otherwise provided in subsection 2, **10 or 11** 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 is unable to satisfy the state agency that the applicant is entitled to a salvage title pursuant to subsection 1, 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;

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

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

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

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

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~~ *25 percent of* 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 state agency 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. 8. (Deleted by amendment.)

Sec. 8.3. NRS 108.4743 is hereby amended to read as follows:

108.4743 "Personal property" means any property not affixed to land and includes, without limitation, merchandise, furniture, household items, motor vehicles, boats, ~~land~~ *personal watercraft* ~~and trailers used to transport motor vehicles, boats or personal watercraft.~~

Sec. 8.5. NRS 108.4763 is hereby amended to read as follows:

108.4763 1. After the notice of the lien is mailed by the owner, if the occupant fails to pay the total amount due by the date specified in the notice, the owner may:

(a) Enter the storage space and remove the personal property within it to a safe place.

(b) Dispose of, but may not sell, any protected property contained in the storage space in accordance with the provisions of subsection 5 if the owner has actual knowledge of such protected property. If the owner disposes of the protected property in accordance with the provisions of subsection 5, the owner is not liable to the occupant or any other person who claims an interest in the protected property.

(c) If the personal property upon which the lien is claimed is a motor vehicle, boat, ~~for~~ *personal watercraft* ~~or trailer used to~~



transport a motor vehicle, boat or personal watercraft, and rent and other charges related to such property remain unpaid or unsatisfied for 60 days, have the property towed by any tow car operator subject to the jurisdiction of the Nevada Transportation Authority. If a motor vehicle, boat, ~~for~~ personal watercraft *or trailer* is towed pursuant to this paragraph, the owner is not liable for any damages to such property once the tow car operator takes possession of the motor vehicle, boat, ~~for~~ personal watercraft *or trailer*.

2. The owner shall send to the occupant a notice of a sale to satisfy the lien by verified mail or, if available, by electronic mail at the last known address of the occupant and at the alternative address provided by the occupant in the rental agreement at least 14 days before the sale. If the notice is sent by electronic mail and no confirmation of receipt is received, the owner shall also send such notice to the occupant by verified mail at the last known address of the occupant. The notice must contain:

(a) A statement that the occupant may no longer use the storage space and no longer has access to the occupant's personal property stored therein;

(b) A statement that the personal property of the occupant is subject to a lien and the amount of the lien;

(c) A statement that the personal property will be sold or disposed of to satisfy the lien on a date specified in the notice, unless the total amount of the lien is paid or the occupant executes and returns by verified mail, the declaration in opposition to the sale; and

(d) A statement of the provisions of subsection 3.

3. Proceeds of the sale over the amount of the lien and the costs of the sale must be retained by the owner and may be reclaimed by the occupant or the occupant's authorized representative at any time up to 1 year from the date of the sale.

4. The notice of the sale must also contain a blank copy of a declaration in opposition to the sale to be executed by the occupant if the occupant wishes to do so.

5. The owner may dispose of protected property contained in the storage space by taking the following actions, in the following order of priority, until the protected property is disposed of:

(a) Contacting the occupant and returning the protected property to the occupant.

(b) Contacting the secondary contact listed by the occupant in the rental agreement and returning the protected property to the secondary contact.



(c) Contacting any appropriate state or federal authorities, including, without limitation, any appropriate governmental agency, board or commission listed by the occupant in the rental agreement pursuant to NRS 108.4755, ascertaining whether such authorities will accept the protected property and, if such authorities will accept the protected property, ensuring that the protected property is delivered to such authorities.

(d) Destroying the protected property in an appropriate manner which is authorized by law and which ensures that any confidential information contained in the protected property is completely obliterated and may not be examined or accessed by the public.

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

