Senate Bill No. 194–Senator Scheible

CHAPTER.....

AN ACT relating to motor vehicles; requiring a short-term lessor to require proof of certain insurance as a condition for the lease of a passenger car; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a short-term lessor from requiring the purchase of a waiver of damages, optional insurance or any other optional good or service as a condition for the lease of a passenger car. Existing law further prohibits a short-term lessor from engaging in certain unfair, deceptive or coercive conduct to induce a short-term lessee to purchase a waiver of damages, optional insurance or any other optional good or service. (NRS 482.31565) This bill requires a short-term lessor to require, as a condition for the lease of a passenger car, proof of insurance that satisfies certain minimum insurance coverage requirements. Additionally, this bill authorizes a short-term lessor to sell certain temporary policies of insurance or refer a person to a third-party seller of such insurance. This bill further prohibits a short-term lessor from offering or referring for sale such policies of insurance at a rate exceeding the standard market rate of similar policies of insurance. Finally, this bill provides that the sale of such a policy of insurance by a short-term lessor does not constitute engaging in certain prohibited unfair, deceptive or coercive conduct.

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:

Section 1. (Deleted by amendment.)

Sec. 2. NRS 482.31565 is hereby amended to read as follows:

482.31565 1. ~~[A]~~ ***Except as otherwise provided in subsection 2, a*** short-term lessor shall not require the purchase of a waiver of damages, optional insurance or any other optional good or service as a condition for the lease of a passenger car.

2. ***A short-term lessor shall require that a person seeking to lease a passenger car provide proof of insurance that satisfies the minimum amount of insurance coverage set forth in NRS 485.185 as a condition for the lease of the passenger car. If a person seeking to lease a passenger car cannot provide proof of such insurance, the short-term lessor may:***

(a) Sell the person a temporary policy of insurance that satisfies the minimum amount of coverage set forth in NRS 485.185 or refer the person to a third-party that sells a temporary policy of insurance that satisfies such requirements. A temporary policy of insurance offered or referred for sale by a short-term

lessor must be offered at a rate that does not exceed the standard market rate for similar policies of insurance.

(b) If the person refuses to purchase a temporary policy of insurance, refuse to lease the passenger car to the person.

3. Except as otherwise provided in this subsection, a short-term lessor may sell a waiver of damages but shall charge:

(a) Except as otherwise provided in paragraph (b), not more than $22 per full or partial rental day or 24-hour rental period, as appropriate, for the waiver. The amount of the charge set forth in this paragraph must be adjusted for each fiscal year that begins on or after July 1, 2008, by adding to that amount the product of that amount multiplied by the percentage increase in the Consumer Price Index West Urban for All Urban Consumers (All Items) between the calendar year ending on December 31, 2005, and the calendar year immediately preceding the fiscal year for which the adjustment is made. The Department shall, on or before March 1 of each year, publish the adjusted amount for the next fiscal year on its website or otherwise make that information available to short-term lessors.

(b) If the vehicle has a manufacturer's suggested retail price of more than $60,000, not more than $150 per full or partial rental day or 24-hour rental period, as appropriate, for the waiver. The monetary amounts set forth in this paragraph must be adjusted for each fiscal year that begins on or after July 1, 2021, by adding to each amount the product of that amount multiplied by the percentage increase in the Consumer Price Index West Urban for All Urban Consumers (All Items) between the calendar year ending on December 31, 2017, and the calendar year immediately preceding the fiscal year for which the adjustment is made. The Department shall, on or before March 1 of each year, publish the adjusted amounts for the next fiscal year on its Internet website or otherwise make that information available to short-term lessors.

~~[3.]~~ ***4.*** A short-term lessor who disseminates an advertisement in the State of Nevada that contains a rate for the lease of a passenger car shall include in the advertisement a clearly readable statement of the charge for a waiver of damages and a statement that the waiver is optional.

~~[4.]~~ ***5.*** A short-term lessor shall not engage in any unfair, deceptive or coercive conduct to induce a short-term lessee to purchase a waiver of damages, optional insurance or any other optional good or service, including, but not limited to, refusing to honor the lessee's reservation, limiting the availability of cars, requiring a deposit or debiting or blocking the lessee's credit card account for a sum equivalent to a deposit if the lessee declines to

purchase a waiver, optional insurance or any other optional good or service.

6. For the purposes of subsection 5, the sale of a policy of insurance by a short-term lessor in accordance with the provisions of subsection 2 does not constitute engaging in any unfair, deceptive or coercive conduct in violation of subsection 5.

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