

ASSEMBLY BILL NO. 177—ASSEMBLYMAN OCEGUERA

FEBRUARY 16, 2009

Referred to Committee on Transportation

SUMMARY—Revises provisions concerning short-term leases of passenger cars. (BDR 43-194)

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 motor vehicles; revising provisions governing the liability of a short-term lessee of a passenger car for physical damage or loss of use of the car under certain circumstances; authorizing a short-term lessor to exclude from a waiver of damages losses resulting from the theft of a leased car if the theft is committed by an authorized driver or by a person aided or abetted by an authorized driver; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides that a short-term lessor and a short-term lessee of a  
2 passenger car may agree that the lessee will be responsible for certain damage to or  
3 loss of use of the car. (NRS 482.31535) **Section 4.5** of this bill increases from \$500  
4 to \$2,500 the amount for which the lessee may be responsible for physical damage  
5 or loss of use of the car which occurs as a result of vandalism not related to the  
6 theft of the car and not caused by the lessee.

7 Under existing law governing the business of short-term leases of passenger  
8 cars, a short-term lessor may offer the lessee of a passenger car the opportunity to  
9 purchase a “waiver of damages” that relieves the lessee from financial  
10 responsibility for certain kinds of damage to the car. (NRS 482.3153, 482.3155-  
11 482.31565) **Section 5** of this bill authorizes a lessor to exclude from such a waiver  
12 any damages or loss attributable to the theft of the leased car if the theft is  
13 committed by the lessee or other authorized driver or by a person aided or abetted  
14 by such a driver.



\* A B 1 7 7 R 2 \*

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

- 1     **Section 1.** (Deleted by amendment.)  
2     **Sec. 2.** (Deleted by amendment.)  
3     **Sec. 3.** (Deleted by amendment.)  
4     **Sec. 4.** (Deleted by amendment.)  
5     **Sec. 4.5.** NRS 482.31535 is hereby amended to read as  
6 follows:  
7     482.31535 1. Except as otherwise provided in NRS  
8 482.3154, a short-term lessor and a short-term lessee of a passenger  
9 car may agree that the lessee will be responsible for:  
10     (a) Physical damage to the car, up to and including its fair  
11 market value, regardless of the cause of the damage.  
12     (b) Mechanical damage to the car, up to and including its fair  
13 market value, resulting from:  
14         (1) A collision;  
15         (2) An impact; or  
16         (3) Any other type of incident,  
17     ↳ that is caused by a deliberate or negligent act or omission on the  
18 part of the lessee.  
19     (c) Loss resulting from theft of the car, up to and including its  
20 fair market value, except that the lessee is presumed to have no  
21 liability for any loss resulting from theft if an authorized driver:  
22         (1) Has possession of the ignition key furnished by the lessor  
23 or establishes that the ignition key furnished by the lessor was not in  
24 the car at the time of the theft; and  
25         (2) Files an official report of the theft with an appropriate  
26 law enforcement agency within 24 hours after learning of the theft  
27 and cooperates with the lessor and the law enforcement agency in  
28 providing information concerning the theft.  
29     ↳ The lessor may rebut the presumption set forth in this paragraph  
30 by establishing that an authorized driver committed or aided and  
31 abetted the commission of the theft.  
32     (d) Physical damage to the car, up to and including its fair  
33 market value, resulting from vandalism occurring after or in  
34 connection with the theft of the car, except that the lessee has no  
35 liability for any damage resulting from vandalism if the lessee has  
36 no liability for theft pursuant to paragraph (c).  
37     (e) Physical damage to the car and loss of use of the car, up to  
38 ~~[\$500,]~~ **\$2,500**, resulting from vandalism not related to the theft of  
39 the car and not caused by the lessee.  
40     (f) Loss of use of the car if the lessee is liable for damage or  
41 loss.



1 (g) Actual charges for towing and storage and impound fees  
2 paid by the lessor if the lessee is liable for damage or loss.

3 (h) An administrative charge that includes the cost of appraisal  
4 and other costs incident to the damage, loss, loss of use, repair or  
5 replacement of the car.

6 2. For the purposes of this section, the fair market value must  
7 be determined in the customary market for the sale of the leased  
8 passenger car.

9 **Sec. 5.** NRS 482.31555 is hereby amended to read as follows:

10 482.31555 A short-term lessor may provide in a lease of a  
11 passenger car that a waiver of damages does not apply in the  
12 following circumstances:

13 1. Damage or loss resulting from an authorized driver's:

14 (a) Intentional, willful, wanton or reckless conduct.

15 (b) Operation of the car in violation of NRS 484.379.

16 (c) Towing or pushing with the car.

17 (d) Operation of the car on an unpaved road if the damage or  
18 loss is a direct result of the road or driving conditions.

19 2. Damage or loss occurring when the passenger car is:

20 (a) Used for hire.

21 (b) Used in connection with conduct that constitutes a felony.

22 (c) Involved in a speed test or contest or in driver training  
23 activity.

24 (d) Operated by a person other than an authorized driver.

25 (e) Operated in a foreign country or outside of the States of  
26 Nevada, Arizona, California, Idaho, Oregon and Utah, unless the  
27 lease expressly provides that the passenger car may be operated in  
28 other locations.

29 3. An authorized driver providing:

30 (a) Fraudulent information to the short-term lessor.

31 (b) False information to the lessor and the lessor would not have  
32 leased the passenger car if he had received true information.

33 ***4. Damage or loss resulting from the theft of the passenger  
34 car if committed by an authorized driver or a person aided or  
35 abetted by an authorized driver. A theft is presumed to have been  
36 committed by a person other than an authorized driver or a person  
37 aided or abetted by an authorized driver if the short-term lessee of  
38 the car:***

39 ***(a) Has possession of the ignition key furnished by the lessor  
40 or establishes that the ignition key furnished by the lessor was not  
41 in the car at the time of the theft; and***

42 ***(b) Files an official report of the theft with an appropriate law  
43 enforcement agency within 24 hours after learning of the theft  
44 and cooperates with the lessor and the law enforcement agency in  
45 providing information concerning the theft.***



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- 1   ↪ *The lessor may rebut the presumption set forth in this*
- 2   *subsection by establishing that an authorized driver committed or*
- 3   *aided and abetted another person in the commission of the theft.*
- 4    **Sec. 6.** This act becomes effective on July 1, 2009.

