

ASSEMBLY BILL NO. 482—COMMITTEE ON TRANSPORTATION

MARCH 20, 2009

Referred to Committee on Transportation

SUMMARY—Makes various changes relating to the repair of motor vehicles. (BDR 43-1124)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
Effect on the State: Yes.

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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; transferring the authority for the regulation of trade practices of garages, garagemen and body shops from the Commissioner of Consumer Affairs to the Department of Motor Vehicles; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law provides for regulation of garages, garagemen and body shops by
2 the Commissioner of Consumer Affairs and for their registration or licensure with
3 the Department of Motor Vehicles. (NRS 487.530-487.570, 487.600-487.690,
4 597.480-597.590) **Sections 2-21** of this bill transfer authority for regulation to the
5 Department and provide for enforcement of those provisions by the Director of the
6 Department.
7 **Section 1** of this bill allows the Department of Motor Vehicles to fine a person
8 who engages in certain deceptive trade practices relating to the sale or lease of a
9 vehicle regardless of whether the person has been fined for that act under the
10 provisions of NRS 598.0903 to 598.0999, inclusive. (NRS 482.554)
11 **Section 29.3** of this bill creates a revolving account for the Bureau of
12 Consumer Protection, overseen by the Consumer's Advocate, to be used for the
13 undercover investigation of alleged violations of **sections 4-21** of this bill or
14 deceptive trade practices.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 482.554 is hereby amended to read as follows:
2 482.554 1. The Department may impose an administrative
3 fine of not more than \$10,000 against any person who engages in a
4 deceptive trade practice. The Department shall afford to any person
5 so fined an opportunity for a hearing pursuant to the provisions of
6 NRS 233B.121.

7 2. For the purposes of this section, a person shall be deemed to
8 be engaged in a “deceptive trade practice” if, in the course of his
9 business or occupation, he:

10 (a) Enters into a contract for the sale of a vehicle on credit with
11 a customer, exercises a valid option to cancel the vehicle sale and
12 then, after the customer returns the vehicle with no damage other
13 than reasonable wear and tear, the seller:

14 (1) Fails to return any down payment or other consideration
15 in full, including, returning a vehicle accepted in trade;

16 (2) Knowingly makes a false representation to the customer
17 that the customer must sign another contract for the sale of the
18 vehicle on less favorable terms; or

19 (3) Fails to use the disclosure as required in subsection 3.

20 (b) Uses a contract for the sale of the vehicle or a security
21 agreement that materially differs from the form prescribed by law.

22 (c) Engages in any deceptive trade practice, as defined in NRS
23 598.0915 to 598.0925, inclusive, that involves the purchase and sale
24 or lease of a motor vehicle.

25 (d) Engages in any other acts prescribed by the Department by
26 regulation as a deceptive trade practice.

27 3. If a seller of a vehicle exercises a valid option to cancel the
28 sale of a vehicle to a customer, the seller must provide a disclosure,
29 and the customer must sign that disclosure, before the seller and
30 customer may enter into a new agreement for the sale of the same
31 vehicle on different terms, or for the sale of a different vehicle. The
32 Department shall prescribe the form of the disclosure by regulation.

33 4. All administrative fines collected by the Department
34 pursuant to this section must be deposited with the State Treasurer
35 to the credit of the State Highway Fund.

36 5. ~~[/del> **The**
37 administrative remedy provided in this section is not exclusive and
38 is intended to supplement existing law. ~~[/del> **The Department may not**
39 **impose a fine pursuant to this section against any person who**
40 **engages in a deceptive trade practice if a fine has previously been**
41 **imposed against that person pursuant to NRS 598.0903 to 598.0999,**
42 **inclusive, for the same act.]** The provisions of this section do not~~~~



1 deprive a person injured by a deceptive trade practice from resorting
2 to any other legal remedy.

3 **Sec. 1.5.** Chapter 487 of NRS is hereby amended by adding
4 thereto the provisions set forth as sections 2 to 21, inclusive, of this
5 act.

6 **Sec. 2.** *“Body shop” means any place where the body of a*
7 *motor vehicle is painted, fixed, repaired or replaced for*
8 *compensation.*

9 **Sec. 3.** *“Person authorizing repairs” means a person who*
10 *uses the services of a garage. The term includes an insurance*
11 *company, its agents or its representatives authorizing repairs to*
12 *motor vehicles under a policy of insurance.*

13 **Sec. 4. 1.** *Each garageman shall display conspicuously in*
14 *those areas of his place of business frequented by persons seeking*
15 *repairs on motor vehicles a sign, not less than 22 inches by 28*
16 *inches in size, setting forth in boldface letters the following:*

17
18 **STATE OF NEVADA**

19
20 **REGISTERED GARAGE**

21
22 **THIS GARAGE IS REGISTERED WITH THE**
23 **DEPARTMENT OF MOTOR VEHICLES**

24
25 **NEVADA AUTOMOTIVE REPAIR**
26 **CUSTOMER BILL OF RIGHTS**

27
28 **AS A CUSTOMER IN NEVADA:**

29
30 *YOU have the right to receive repairs from a business that is*
31 *REGISTERED with the Department of Motor Vehicles that will*
32 *ensure the proper repair of your vehicle. (cite to this section of this*
33 *act)*

34
35 *YOU have the right to receive a WRITTEN ESTIMATE of*
36 *charges for repairs made to your vehicle which exceed \$50. (cite to*
37 *section 6 of this act)*

38
39 *YOU have the right to read and understand all documents and*
40 *warranties BEFORE YOU SIGN THEM. (cite to this section of*
41 *this act)*

42
43 *YOU have the right to INSPECT ALL REPLACED PARTS and*
44 *accessories that are covered by a warranty and for which a charge*
45 *is made. (cite to section 11 of this act)*



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1 *YOU have the right to request that all replaced parts and*
2 *accessories that are not covered by a warranty BE RETURNED*
3 *TO YOU AT THE TIME OF SERVICE. (cite to section 11 of this*
4 *act)*

5
6 *YOU have the right to require authorization BEFORE any*
7 *additional repairs are made to your vehicle if the charges for those*
8 *repairs exceed 20% of the original estimate or \$100, whichever is*
9 *less. (cite to section 7 of this act)*

10
11 *YOU have the right to receive a COMPLETED STATEMENT OF*
12 *CHARGES for repairs made to your vehicle. (cite to section 18 of*
13 *this act)*

14
15 **FOR MORE INFORMATION PLEASE CONTACT:**

16
17 **THE DEPARTMENT OF MOTOR VEHICLES**

18
19 *2. Each body shop shall display conspicuously in those areas*
20 *of its place of business frequented by persons seeking repairs on*
21 *motor vehicles a sign, not less than 22 inches by 28 inches in size,*
22 *setting forth in boldface letters the following:*

23
24 **STATE OF NEVADA**

25
26 **LICENSED BODY SHOP**

27
28 **THIS BODY SHOP IS LICENSED BY THE**
29 **DEPARTMENT OF MOTOR VEHICLES**

30
31 **NEVADA AUTOMOTIVE REPAIR**
32 **CUSTOMER BILL OF RIGHTS**

33
34 **AS A CUSTOMER IN NEVADA:**

35
36 *YOU have the right to receive repairs from a business that is*
37 *LICENSED with the Department of Motor Vehicles that will*
38 *ensure the proper repair of your vehicle. (cite to this section of this*
39 *act)*

40
41 *YOU have the right to receive a WRITTEN ESTIMATE of*
42 *charges for repairs made to your vehicle which exceed \$50. (cite to*
43 *section 6 of this act)*



* A B 4 8 2 R 1 *

1 *YOU have the right to read and understand all documents and*
2 *warranties BEFORE YOU SIGN THEM. (cite to this section of*
3 *this act)*

4
5 *YOU have the right to INSPECT ALL REPLACED PARTS and*
6 *accessories that are covered by a warranty and for which a charge*
7 *is made. (cite to section 11 of this act)*

8
9 *YOU have the right to request that all replaced parts and*
10 *accessories that are not covered by a warranty BE RETURNED*
11 *TO YOU AT THE TIME OF SERVICE. (cite to section 11 of this*
12 *act)*

13
14 *YOU have the right to require authorization BEFORE any*
15 *additional repairs are made to your vehicle if the charges for those*
16 *repairs exceed 20% of the original estimate or \$100, whichever is*
17 *less. (cite to section 7 of this act)*

18
19 *YOU have the right to receive a COMPLETED STATEMENT OF*
20 *CHARGES for repairs made to your vehicle. (cite to section 18 of*
21 *this act)*

22
23 **FOR MORE INFORMATION PLEASE CONTACT:**

24
25 **THE DEPARTMENT OF MOTOR VEHICLES**

26
27 *3. The sign required pursuant to the provisions of subsection*
28 *1 or 2 must include a replica of the Great Seal of the State of*
29 *Nevada. The Seal must be 2 inches in diameter and be centered on*
30 *the face of the sign directly above the words "STATE OF*
31 *NEVADA."*

32 *4. Any person who violates the provisions of this section is*
33 *guilty of a misdemeanor.*

34 **Sec. 5.** *Whenever any body shop or garageman accepts or*
35 *assumes control of a motor vehicle for the purpose of making or*
36 *completing any repair, the body shop or garageman shall comply*
37 *with the provisions of sections 6 to 19, inclusive, of this act.*

38 **Sec. 6. 1.** *Except as otherwise provided in section 8 of this*
39 *act, a person requesting or authorizing the repair of a motor*
40 *vehicle that is more than \$50 must be furnished a written estimate*
41 *or statement signed by the person making the estimate or*
42 *statement on behalf of the body shop or garageman indicating the*
43 *total charge for the performance of the work necessary to*
44 *accomplish the repair, including the charge for labor and all parts*
45 *and accessories necessary to perform the work.*



1 2. *If the estimate is for the purpose of diagnosing a*
2 *malfunction, the estimate must include the cost of:*

3 (a) *Diagnosis and disassembly; and*

4 (b) *Reassembly, if the person does not authorize the repair.*

5 3. *The provisions of this section do not require a body shop or*
6 *garage to reassemble a motor vehicle if the body shop or*
7 *garage determines that the reassembly of the motor vehicle*
8 *would render the vehicle unsafe to operate.*

9 **Sec. 7.** *Except as otherwise provided in section 8 of this act,*
10 *if it is determined that additional charges are required to perform*
11 *the repair authorized, and those additional charges exceed, by 20*
12 *percent or \$100, whichever is less, the amount set forth in the*
13 *estimate or statement required to be furnished pursuant to the*
14 *provisions of section 6 of this act, the body shop or garageman*
15 *shall notify the owner and insurer of the motor vehicle of the*
16 *amount of those additional charges.*

17 **Sec. 8.** *The person authorizing the repairs may waive the*
18 *estimate or statement required pursuant to the provisions of*
19 *section 6 of this act or the notification required by section 7 of this*
20 *act by executing a written waiver of that requirement or*
21 *notification. The waiver must be executed by the person*
22 *authorizing the repairs at the time he authorizes those repairs.*

23 **Sec. 9.** *If a body shop or garage performs repairs on a motor*
24 *vehicle, the body shop or garage shall perform the repairs in*
25 *accordance with any specifications of the manufacturer of the*
26 *motor vehicle and the written estimate or statement of the cost of*
27 *the repairs that is most recently agreed upon by the body shop or*
28 *garage and the person authorizing repairs.*

29 **Sec. 10.** 1. *An owner and the insurer of a motor vehicle*
30 *who have been notified of additional charges pursuant to section 7*
31 *of this act shall:*

32 (a) *Authorize the performance of the repair at the additional*
33 *expense; or*

34 (b) *Without delay, and upon payment of the authorized*
35 *charges, take possession of the motor vehicle.*

36 2. *Until the election provided for in subsection 1 has been*
37 *made, the body shop or garageman shall not undertake any repair*
38 *which would involve such additional charges.*

39 3. *If the owner or insurer of the motor vehicle elects to take*
40 *possession of the motor vehicle but fails to take possession within*
41 *a 24-hour period after the election, the body shop or garageman*
42 *may charge for storage of the vehicle.*

43 **Sec. 11.** 1. *Whenever the repair work performed on a*
44 *motor vehicle requires the replacement of any parts or accessories,*
45 *the body shop or garageman shall, at the request of the person*



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1 *authorizing the repairs or any person entitled to possession of the*
2 *motor vehicle, deliver to the person all parts and accessories*
3 *replaced as a result of the work done.*

4 *2. The provisions of subsection 1 do not apply to parts or*
5 *accessories which must be returned to a manufacturer or*
6 *distributor under a warranty arrangement or which are subject to*
7 *exchange, but the customer, on request, is entitled to be shown the*
8 *warranty parts for which a charge is made.*

9 **Sec. 12.** *The body shop or garageman shall retain copies of*
10 *any estimate, statement or waiver required by sections 6 to 19,*
11 *inclusive, of this act as an ordinary business record of the body*
12 *shop or garage, for a period of not less than 1 year after the date*
13 *the estimate, statement or waiver is signed.*

14 **Sec. 13.** *In every instance where charges are made for the*
15 *repair of a motor vehicle by a garageman, the garageman making*
16 *the repairs shall comply with the provisions of sections 6 to 19,*
17 *inclusive, of this act. A garageman is not entitled to detain a motor*
18 *vehicle by virtue of any common law or statutory lien, or otherwise*
19 *enforce such a lien, or to sue on any contract for repairs made by*
20 *him unless he has complied with the requirements of sections 6 to*
21 *19, inclusive, of this act.*

22 **Sec. 14.** *A person shall be deemed to be engaged in a*
23 *“deceptive trade practice” if, in the course of his business or*
24 *occupation, he:*

25 *1. Engages in any deceptive trade practice, as defined in NRS*
26 *598.0915 to 598.0925, inclusive, that involves the repair of a motor*
27 *vehicle; or*

28 *2. Engages in any other acts prescribed by the Director by*
29 *regulation as a deceptive trade practice.*

30 **Sec. 15.** (Deleted by amendment.)

31 **Sec. 16.** *1. The Director may request an undercover*
32 *investigation of a person who is allegedly engaging in a deceptive*
33 *trade practice or violating the provisions of sections 4 to 21,*
34 *inclusive, of this act.*

35 *2. The Bureau of Consumer Protection in the Office of the*
36 *Attorney General may conduct an undercover investigation of a*
37 *person who is allegedly engaging in a deceptive trade practice or*
38 *violating the provisions of sections 4 to 21, inclusive, of this act on*
39 *its own motion or upon a request received pursuant to subsection*
40 *1. Nothing in this subsection requires the Bureau to conduct an*
41 *undercover investigation.*

42 **Sec. 17.** *1. In addition to any other penalty, the Director*
43 *may impose an administrative fine of not more than \$10,000*
44 *against any person who engages in a deceptive trade practice as*
45 *set forth in section 14 of this act. The Director shall provide to any*



1 *person so fined an opportunity for a hearing pursuant to the*
2 *provisions of NRS 233B.121.*

3 2. *All administrative fines collected by the Director pursuant*
4 *to this section must be deposited with the State Treasurer to the*
5 *credit of the State Highway Fund.*

6 3. *The administrative remedy provided in this section is not*
7 *exclusive and is intended to supplement existing law. The*
8 *provisions of this section do not deprive a person injured by a*
9 *deceptive trade practice from resorting to any other legal remedy.*

10 **Sec. 18.** 1. *If charges are made for the repair of a motor*
11 *vehicle, the garageman or body shop making the charges shall*
12 *present to the person authorizing repairs or the person entitled to*
13 *possession of the motor vehicle a statement of the charges setting*
14 *forth the following information:*

15 (a) *The name and signature of the person authorizing repairs;*

16 (b) *A statement of the total charges;*

17 (c) *An itemization and description of all parts used to repair*
18 *the motor vehicle indicating the charges made for labor; and*

19 (d) *A description of all other charges.*

20 2. *Any person violating this section is guilty of a*
21 *misdemeanor.*

22 3. *In the case of a motor vehicle registered in this State, no*
23 *lien for labor or materials provided under NRS 108.265 to*
24 *108.367, inclusive, may be enforced by sale or otherwise unless a*
25 *statement as described in subsection 1 has been given by delivery*
26 *in person or by certified mail to the last known address of the*
27 *registered and the legal owner of the motor vehicle. In all other*
28 *cases, the notice must be made to the last known address of the*
29 *registered owner and any other person known to have or to claim*
30 *an interest in the motor vehicle.*

31 **Sec. 19.** 1. *On or before January 1 of each year, the*
32 *Director of the Department shall prepare a report concerning*
33 *garages, garagemen and body shops. The report must include:*

34 (a) *The number of complaints relating to garages, garagemen*
35 *and body shops made to and acted upon by the Department during*
36 *the year for which the report is prepared;*

37 (b) *The number of investigations conducted during that year*
38 *by the Department relating to garages, garagemen and body*
39 *shops; and*

40 (c) *The outcome of each investigation specified in paragraph*
41 *(b) and the extent to which any information relating to each*
42 *investigation is subject to disclosure to the members of the public.*

43 2. *On or before January 1 of each even-numbered year, the*
44 *Director of the Department shall submit the report required*
45 *pursuant to subsection 1 to the Legislative Commission. On or*



1 *before January 1 of each odd-numbered year, the Director of the*
2 *Department shall submit the report to the Director of the*
3 *Legislative Counsel Bureau for transmittal to:*

4 *(a) The Senate Standing Committee on Energy, Infrastructure*
5 *and Transportation; and*

6 *(b) The Assembly Standing Committee on Transportation.*

7 **Sec. 20.** *The Attorney General or any district attorney may*
8 *bring an action in any court of competent jurisdiction in the name*
9 *of the State of Nevada on the complaint of the Director, or of any*
10 *person allegedly aggrieved by a violation of the provisions of*
11 *sections 6 to 19, inclusive, of this act, to enjoin any violation of the*
12 *provisions of sections 6 to 19, inclusive, of this act.*

13 **Sec. 21.** *Any person who knowingly violates any provision of*
14 *sections 5 to 19, inclusive, of this act is liable, in addition to any*
15 *other penalty or remedy which may be provided by law, to a civil*
16 *penalty of not more than \$500 for each offense, which may be*
17 *recovered by civil action on complaint of the Director or the*
18 *district attorney.*

19 **Sec. 21.5.** NRS 487.002 is hereby amended to read as follows:
20 487.002 1. The Advisory Board on Automotive Affairs,
21 consisting of seven members appointed by the Governor, is hereby
22 created within the Department.

23 2. The Governor shall appoint to the Board:

24 (a) One representative of the Department;

25 (b) One representative of licensed operators of body shops;

26 (c) One representative of licensed automobile wreckers;

27 (d) One representative of registered garagemen;

28 (e) One representative of licensed operators of salvage pools;
29 and

30 (f) Two representatives of the general public.

31 3. After the initial terms, each member of the Board serves a
32 term of 4 years. The members of the Board shall annually elect from
33 among their number a Chairman and a Vice Chairman. The
34 Department shall provide secretarial services for the Board.

35 4. The Board shall meet regularly at least twice each year and
36 may meet at other times upon the call of the Chairman. Each
37 member of the Board is entitled to the per diem allowance and travel
38 expenses provided for state officers and employees generally.

39 5. The Board shall:

40 (a) Study the regulation of garagemen, automobile wreckers and
41 operators of body shops and salvage pools, including, without
42 limitation, the registration or licensure of such persons and the
43 methods of disciplinary action against such persons;

44 (b) Analyze and advise the Department relating to any consumer
45 complaints ~~provided to the Department by the Consumer Affairs~~



1 ~~Division of the Department of Business and Industry pursuant to~~
2 ~~NRS 598.985 or otherwise~~ received by the Department concerning
3 garagemen, automobile wreckers or operators of body shops or
4 salvage pools;

5 (c) Make recommendations to the Department for any necessary
6 regulations or proposed legislation pertaining to paragraph (a)
7 or (b);

8 (d) On or before January 15 of each odd-numbered year, prepare
9 and submit a report concerning its activities and recommendations
10 to the Governor and to the Director of the Legislative Counsel
11 Bureau for transmission to the Legislature; and

12 (e) Perform any other duty assigned by the Department.

13 **Sec. 22.** NRS 487.530 is hereby amended to read as follows:

14 487.530 As used in NRS 487.530 to ~~[487.570,]~~ **487.690,**
15 inclusive, **and sections 2 to 21, inclusive, of this act,** unless the
16 context otherwise requires, the words and terms defined in NRS
17 ~~[487.535]~~ **487.540** to 487.550, inclusive, **and sections 2 and 3 of**
18 **this act** have the meanings ascribed to them in those sections.

19 **Sec. 23.** NRS 487.555 is hereby amended to read as follows:

20 487.555 The provisions of NRS 487.530 to ~~[487.570,]~~ **487.690,**
21 inclusive, **and sections 2 to 21, inclusive, of this act** do not apply to
22 a service station that is exclusively engaged in the business of
23 selling motor vehicle fuel, lubricants or goods unrelated to the repair
24 of motor vehicles.

25 **Sec. 24.** NRS 487.563 is hereby amended to read as follows:

26 487.563 1. Each person who submits an application for
27 registration pursuant to the provisions of NRS 487.560 shall file
28 with the Department a bond in the amount of \$5,000, with a
29 corporate surety for the bond that is licensed to do business in this
30 State. The form of the bond must be approved by the Attorney
31 General and be conditioned upon whether the applicant conducts his
32 business as an owner or operator of a garage without fraud or
33 fraudulent representation and in compliance with the provisions of
34 **sections 4 to 21, inclusive, of this act and** NRS 487.530 to
35 ~~[487.570,]~~ **487.567,** inclusive . ~~[, and 597.480 to 597.590,~~
36 ~~inclusive.]~~

37 2. The bond must be continuous in form and the total aggregate
38 liability on the bond must be limited to the payment of the total
39 amount of the bond.

40 3. The bond must provide that any person injured by the action
41 of the garageman may:

42 (a) Apply to the Director for compensation from the bond. The
43 Director, for good cause shown and after notice and opportunity for
44 hearing, may determine the amount of compensation and the person
45 to whom it is to be paid. The surety shall then make payment.



1 (b) Present to the Director an order of a court requiring the
2 Director to pay to the person an amount of compensation from the
3 bond. The Director shall inform the surety, and the surety shall then
4 make payment.

5 4. In lieu of a bond required to be filed pursuant to the
6 provisions of subsection 1, a person may deposit with the
7 Department, pursuant to the terms prescribed by the Department:

8 (a) A like amount of money or bonds of the United States or of
9 the State of Nevada of an actual market value of not less than the
10 amount fixed by the Department; or

11 (b) A savings certificate of a bank or savings and loan
12 association located in this State, which must indicate an account of
13 an amount equal to the amount of the bond that would otherwise be
14 required pursuant to this section and that the amount is unavailable
15 for withdrawal except upon order of the Department. Interest earned
16 on the certificate accrues to the account of the applicant.

17 5. A deposit made pursuant to subsection 4 may be disbursed
18 by the Director, for good cause shown and after notice and
19 opportunity for hearing, in an amount determined by him to
20 compensate a person injured by an action of the garageman or
21 released upon receipt of:

22 (a) An order of a court requiring the Director to release all or a
23 specified portion of the deposit; or

24 (b) A statement signed by the person under whose name the
25 deposit is made and acknowledged before any person authorized to
26 take acknowledgments in this State, requesting that the Director
27 release the deposit, or a specified portion thereof, and stating the
28 purpose for which the release is requested.

29 6. If a person fails to comply with an order of a court that
30 relates to the repair of a motor vehicle, or fails to pay or otherwise
31 discharge any final judgment rendered and entered against him or
32 any court order issued and arising out of the repair of a motor
33 vehicle in the operation of a garage, the Department shall revoke or
34 refuse to renew the certificate of registration of the person who
35 failed to comply with the order or satisfy the judgment.

36 7. The Department may reinstate or renew a certificate of
37 registration that is revoked pursuant to the provisions of subsection
38 6 if the person whose certificate of registration is revoked complies
39 with the order of the court.

40 8. A garageman whose registration has been revoked pursuant
41 to the provisions of subsection 6 shall furnish to the Department a
42 bond in the amount specified in subsection 1 before the
43 reinstatement of his registration.



1 **Sec. 25.** NRS 487.564 is hereby amended to read as follows:

2 487.564 1. The Department may refuse to issue a registration
3 or may suspend, revoke or refuse to renew a registration to operate a
4 garage upon any of the following grounds:

5 (a) A false statement of a material fact in a certification for a
6 salvage vehicle required pursuant to NRS 487.800.

7 (b) A false statement or certification for an inspection pursuant
8 to NRS 487.800 which attests to the mechanical fitness or safety of
9 a salvage vehicle.

10 (c) The Director determines that the garage or garageman has
11 engaged in a deceptive trade practice or violated the provisions of
12 ~~[NRS 597.480 to 597.590, inclusive.]~~ *sections 4 to 21, inclusive, of*
13 *this act.*

14 (d) Evidence of unfitness of the applicant or registrant pursuant
15 to NRS 487.165.

16 (e) A violation of any regulation adopted by the Department
17 governing the operation of a garage.

18 (f) A violation of any statute or regulation that constitutes fraud
19 in conjunction with the repair of a motor vehicle or operation of a
20 garage.

21 2. A person for whom a certificate of registration has been
22 suspended or revoked pursuant to the provisions of this section,
23 subsection 6 of NRS 487.563 or similar provisions of the laws of
24 any other state or territory of the United States shall not be
25 employed by, or in any manner affiliated with, the operation of a
26 garage subject to registration in this State.

27 3. As used in this section, "salvage vehicle" has the meaning
28 ascribed to it in NRS 487.770.

29 **Sec. 26.** NRS 487.600 is hereby amended to read as follows:

30 487.600 As used in NRS 487.600 to ~~[487.690,]~~ *487.687,*
31 inclusive, unless the context otherwise requires, the words and terms
32 defined in NRS ~~[487.602]~~ *487.604* to 487.608, inclusive, have the
33 meanings ascribed to them in those sections.

34 **Sec. 27.** NRS 487.640 is hereby amended to read as follows:

35 487.640 1. No license may be issued to an operator of a body
36 shop until he procures and files with the Department a good and
37 sufficient bond in the amount of \$10,000, with a corporate surety
38 thereon licensed to do business in the State of Nevada, approved as
39 to form by the Attorney General, and conditioned that the applicant
40 shall conduct his business as an operator of a body shop without
41 fraud or fraudulent representation, and in compliance with the
42 provisions of *sections 4 to 21, inclusive, of this act and* NRS
43 487.600 to ~~[487.690,]~~ *487.687,* inclusive. ~~[, and 597.480 to~~
44 ~~597.590, inclusive.]~~ The Department may, by agreement with any
45 operator of a body shop who has been licensed by the Department



1 for 5 years or more, allow a reduction in the amount of the bond of
2 the operator, if the business of the operator has been conducted
3 satisfactorily for the preceding 5 years, but no bond may be in an
4 amount less than \$1,000.

5 2. The bond may be continuous in form and the total aggregate
6 liability on the bond must be limited to the payment of the total
7 amount of the bond.

8 3. The bond must provide that any person injured by the action
9 of the operator of the body shop in violation of any of the provisions
10 of *sections 4 to 21, inclusive, of this act and* NRS 487.600 to
11 ~~[487.690,] 487.687, inclusive, [and 597.480 to 597.590, inclusive,]~~
12 may apply to the Director for compensation from the bond. The
13 Director, for good cause shown and after notice and opportunity for
14 hearing, may determine the amount of compensation and the person
15 to whom it is to be paid. The surety shall then make the payment.

16 4. In lieu of a bond an operator of a body shop may deposit
17 with the Department, under the terms prescribed by the Department:

18 (a) A like amount of money or bonds of the United States or of
19 the State of Nevada of an actual market value of not less than the
20 amount fixed by the Department; or

21 (b) A savings certificate of a bank, credit union or savings and
22 loan association situated in Nevada, which must indicate an account
23 of an amount equal to the amount of the bond which would
24 otherwise be required by this section and that this amount is
25 unavailable for withdrawal except upon order of the Department.
26 Interest earned on the certificate accrues to the account of the
27 applicant.

28 5. A deposit made pursuant to subsection 4 may be disbursed
29 by the Director, for good cause shown and after notice and
30 opportunity for hearing, in an amount determined by him to
31 compensate a person injured by an action of the licensee, or released
32 upon receipt of:

33 (a) An order of a court requiring the Director to release all or a
34 specified portion of the deposit; or

35 (b) A statement signed by the person under whose name the
36 deposit is made and acknowledged before any person authorized to
37 take acknowledgments in this State, requesting the Director to
38 release the deposit, or a specified portion thereof, and stating the
39 purpose for which the release is requested.

40 6. When a deposit is made pursuant to subsection 4, liability
41 under the deposit is in the amount prescribed by the Department. If
42 the amount of the deposit is reduced or there is an outstanding
43 judgment of a court for which the licensee is liable under the
44 deposit, the license is automatically suspended. The license must be
45 reinstated if the licensee:



- 1 (a) Files an additional bond pursuant to subsection 1;
- 2 (b) Restores the deposit with the Department to the original
- 3 amount required under this section; or
- 4 (c) Satisfies the outstanding judgment for which he is liable
- 5 under the deposit.

- 6 7. A deposit made pursuant to subsection 4 may be refunded:
- 7 (a) By order of the Director, 3 years after the date the licensee
 - 8 ceases to be licensed by the Department, if the Director is satisfied
 - 9 that there are no outstanding claims against the deposit; or
 - 10 (b) By order of court, at any time within 3 years after the date
 - 11 the licensee ceases to be licensed by the Department, upon evidence
 - 12 satisfactory to the court that there are no outstanding claims against
 - 13 the deposit.

14 8. Any money received by the Department pursuant to

15 subsection 4 must be deposited with the State Treasurer for credit to

16 the Motor Vehicle Fund.

17 **Sec. 28.** NRS 487.650 is hereby amended to read as follows:

18 487.650 1. The Department may refuse to issue a license or

19 may suspend, revoke or refuse to renew a license to operate a body

20 shop upon any of the following grounds:

- 21 (a) Failure of the applicant or licensee to have or maintain an
- 22 established place of business in this State.
- 23 (b) Conviction of the applicant or licensee or an employee of the
- 24 applicant or licensee of a felony, or of a misdemeanor or gross
- 25 misdemeanor for a violation of a provision of this chapter.
- 26 (c) Any material misstatement in the application for the license.
- 27 (d) Willful failure of the applicant or licensee to comply with the
- 28 motor vehicle laws of this State and *sections 4 to 21, inclusive, of*
- 29 *this act or* NRS 487.600 to ~~[487.690,]~~ 487.687, inclusive . ~~[, or~~
- 30 ~~597.480 to 597.590, inclusive.]~~

31 (e) Failure or refusal by the licensee to pay or otherwise

32 discharge any final judgment against him arising out of the

33 operation of the body shop.

34 (f) Failure or refusal to provide to the Department an

35 authorization for the disclosure of financial records for the business

36 as required pursuant to subsection 2.

37 (g) A finding of guilty or guilty but mentally ill by a court of

38 competent jurisdiction in a case involving a fraudulent inspection,

39 purchase, sale or transfer of a salvage vehicle by the applicant or

40 licensee or an employee of the applicant or licensee.

41 (h) An improper, careless or negligent inspection of a salvage

42 vehicle pursuant to NRS 487.800 by the applicant or licensee or an

43 employee of the applicant or licensee.

44 (i) A false statement of material fact in a certification of a

45 salvage vehicle pursuant to NRS 487.800 or a record regarding a



1 salvage vehicle by the applicant or licensee or an employee of the
2 applicant or licensee.

3 (j) The display of evidence of unfitness for a license pursuant to
4 NRS 487.165.

5 2. Upon the receipt of any report or complaint alleging that an
6 applicant or a licensee has engaged in financial misconduct or has
7 failed to satisfy financial obligations related to the operation of a
8 body shop, the Department may require the applicant or licensee to
9 submit to the Department an authorization for the disclosure of
10 financial records for the business as provided in NRS 239A.090.
11 The Department may use any information obtained pursuant to such
12 an authorization only to determine the suitability of the applicant or
13 licensee for initial or continued licensure. Information obtained
14 pursuant to such an authorization may be disclosed only to those
15 employees of the Department who are authorized to issue a license
16 to an applicant pursuant to NRS 487.600 to ~~487.690,~~ 487.687,
17 inclusive, or to determine the suitability of an applicant or a licensee
18 for licensure.

19 3. As used in this section, "salvage vehicle" has the meaning
20 ascribed to it in NRS 487.770.

21 **Sec. 29.** NRS 487.690 is hereby amended to read as follows:

22 487.690 Any person who violates any of the provisions of
23 *sections 4 to 21, inclusive, of this act or* NRS ~~487.600~~ 487.530 to
24 487.680, inclusive, is guilty of a misdemeanor.

25 **Sec. 29.3.** Chapter 228 of NRS is hereby amended by adding
26 thereto a new section to read as follows:

27 *1. There is hereby created a revolving account for the Bureau
28 of Consumer Protection in the sum of \$7,500, which must be used
29 for the payment of expenses relating to conducting an undercover
30 investigation of a person who is allegedly engaging in a deceptive
31 trade practice or violating the provisions of sections 4 to 21,
32 inclusive, of this act.*

33 *2. The Consumer's Advocate shall deposit the money in the
34 revolving account in a bank or credit union qualified to receive
35 deposits of public money as provided by law, and the deposit must
36 be secured by a depository bond satisfactory to the State Board of
37 Examiners.*

38 *3. The Consumer's Advocate or his designee may:*

39 *(a) Sign all checks drawn upon the revolving account; and*

40 *(b) Make withdrawals of cash from the revolving account.*

41 *4. Payments made from the revolving account must be
42 promptly reimbursed from the legislative appropriation, if any, to
43 the Consumer's Advocate for the expenses relating to conducting
44 an undercover investigation of a person who is allegedly engaging
45 in a deceptive trade practice or violating the provisions of sections*



1 *4 to 21, inclusive, of this act. The claim for reimbursement must*
2 *be processed and paid as other claims against the State are paid.*

3 *5. The Consumer's Advocate shall:*

4 *(a) Approve any disbursement from the revolving account; and*

5 *(b) Maintain records of any such disbursement.*

6 **Sec. 29.7.** NRS 228.300 is hereby amended to read as follows:

7 228.300 As used in NRS 228.300 to 228.390, inclusive, *and*
8 *section 29.3 of this act*, unless the context otherwise requires, the
9 words and terms defined in NRS 228.302 to 228.308, inclusive,
10 have the meanings ascribed to them in those sections.

11 **Sec. 30.** (Deleted by amendment.)

12 **Sec. 31.** (Deleted by amendment.)

13 **Sec. 32.** NRS 686A.300 is hereby amended to read as follows:

14 686A.300 1. An insurer who issues insurance covering
15 damage to a motor vehicle shall not delay making payment for any
16 claim involving damage to a motor vehicle after receiving a
17 statement of charges, pursuant to the provisions of ~~NRS 597.5705,~~
18 *section 18 of this act*, from any garage or licensed body shop
19 previously authorized by the insured to perform the repairs required
20 by that claim.

21 2. A delay, within the meaning of this section, is failure to
22 issue a check or draft, payable to the garage or licensed body shop
23 or jointly to the insured and the garage or licensed body shop, within
24 30 days after the insurer's receipt of the statement of charges for
25 repairs which have been satisfactorily completed.

26 3. If the damaged vehicle is subject to a security interest or the
27 legal owner of the damaged vehicle is different from the registered
28 owner, the vehicle must be repaired by a garage or licensed body
29 shop unless:

30 (a) The insurer has declared the vehicle a total loss; or

31 (b) The total charge for the repair of the vehicle, as set forth in
32 the statement of charges presented pursuant to ~~NRS 597.5705,~~
33 *section 18 of this act*, is \$300 or less.

34 4. Except as otherwise provided in subsection 3, nothing in this
35 section shall be deemed to prohibit an insurer and insured from
36 settling a claim involving damage to a motor vehicle without
37 providing for the repair of the vehicle.

38 5. As used in this section, "licensed body shop" means a body
39 shop for which a license has been issued pursuant to chapter 487 of
40 NRS.

41 **Sec. 33.** NRS 487.535, 487.568, 487.570, 487.602, 597.480,
42 597.490, 597.500, 597.510, 597.520, 597.530, 597.535, 597.540,
43 597.550, 597.560, 597.570, 597.5701, 597.5702, 597.5703,
44 597.5704, 597.5705, 597.5706, 597.580, 597.590, 598.971, 598.975,
45 598.981, 598.985 and 598.990 are hereby repealed.



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LEADLINES OF REPEALED SECTIONS

- 487.535 “Division” defined.
- 487.568 Penalty.
- 487.570 Garageman to comply with certain provisions relating to trade practices.
- 487.602 “Body shop” defined.
- 597.480 Definitions.
- 597.490 Display of sign required; contents of sign; penalty.
- 597.500 Duties of body shop or garageman on acceptance of vehicle for repair.
- 597.510 Estimate of costs required for certain repairs.
- 597.520 Notice of additional charges over estimate required in certain cases.
- 597.530 Waiver of estimate of costs or notice of additional charges; execution of waiver.
- 597.535 Duty of body shop and garage to repair vehicle in accordance with manufacturer’s specifications and estimate of costs required for repair.
- 597.540 Duties of owner and insurer upon receipt of notice of additional charges.
- 597.550 Replaced parts to be delivered to person authorizing repairs if requested; exception.
- 597.560 Records to be retained by body shop or garageman.
- 597.570 Compliance with NRS 597.510 to 597.5706, inclusive; enforcement of liens and contracts.
- 597.5701 Certain acts deemed to be deceptive trade practice.
- 597.5702 Revolving account for Bureau of Consumer Protection: Creation; use; deposits; claims.
- 597.5703 Commissioner or Director authorized to request undercover investigation of alleged deceptive trade practice; Bureau of Consumer Protection authorized to conduct such investigation.
- 597.5704 Administrative fine for engaging in deceptive trade practice; deposit and use of money collected as administrative fine.
- 597.5705 Statement of charges required for repair of vehicle; violation constitutes misdemeanor; statement required for enforcement of lien.



597.5706 Submission of annual report by Commissioner to Legislative Commission.

597.580 Violations: Injunctive relief.

597.590 Violations: Civil penalties.

598.971 Definitions.

598.975 "Department" defined.

598.981 "Division" defined.

598.985 Division and Department to cooperate to protect persons who authorize repair of motor vehicles.

598.990 Division to establish and maintain toll-free telephone number concerning alleged violations and develop program to provide certain information to public.

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