

ASSEMBLY BILL NO. 228—COMMITTEE  
ON COMMERCE AND LABOR

MARCH 5, 2015

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing trade regulations.  
(BDR 52-999)

FISCAL NOTE: Effect on Local Government: No.  
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 trade regulations; authorizing a financier of a motor vehicle to install certain devices in the motor vehicle which he or she finances; revising provisions relating to retail installment contracts; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 **Section 1** of this bill authorizes a financier (a person who finances the sale of a  
2 motor vehicle or a lessor who leases a motor vehicle to a lessee) to install under  
3 certain circumstances devices in the motor vehicle which the financier finances or  
4 leases, which devices are used to remotely locate or disable a motor vehicle upon  
5 breach or default of the financing contract by the debtor or lessee.  
6 Existing law requires certain retail installment contracts to be contained in a  
7 single document which must contain the entire agreement of the parties. (NRS  
8 97.165) **Section 2** of this bill amends that requirement, commonly known as the  
9 “single document rule,” to provide that it does not apply to the sale of a motor  
10 vehicle in which the secured party and a debtor enter into an agreement authorizing  
11 the secured party to install and use a device which is able to remotely disable the  
12 motor vehicle upon breach or default by the debtor.

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

1 **Section 1.** Chapter 597 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3 *1. A financier of a motor vehicle shall not install or use*  
4 *electronic repossession technology in a motor vehicle which he or*



1 *she finances to take possession of the motor vehicle, or without*  
2 *removal, to render the motor vehicle unusable, unless:*

3 (a) *After executing the financing contract, the parties to the*  
4 *contract enter into an agreement which:*

5 (1) *Is contained in a separate document;*

6 (2) *Is not a condition of the financing contract; and*

7 (3) *Provides that:*

8 (I) *Electronic tracking technology may be used by the*  
9 *financer only to ensure that the electronic tracking technology is*  
10 *operating properly, to repossess the motor vehicle, to locate the*  
11 *motor vehicle for the purpose of servicing the financing contract*  
12 *or to keep the financing contract current;*

13 (II) *The debtor or lessee, as applicable, may cancel the*  
14 *agreement authorizing the use of electronic tracking technology at*  
15 *any time during the term of the financing contract without*  
16 *affecting the sale or lease of the motor vehicle or any term or*  
17 *condition of the financing contract; and*

18 (III) *After providing proper notice to the debtor or*  
19 *lessee, as applicable, pursuant to subsection 2, a financer may use*  
20 *starter interrupt technology to disable the motor vehicle following*  
21 *certain defaults or breaches of the financing contract; and*

22 (b) *At the time of the sale or lease of the motor vehicle, the*  
23 *financer provides the debtor or lessee, as applicable, with a written*  
24 *disclosure that the vehicle is equipped with electronic repossession*  
25 *technology and which includes, without limitation:*

26 (1) *The nature of the defaults or breaches following which*  
27 *the financer may use the electronic repossession technology;*

28 (2) *The prohibitions on the use of electronic repossession*  
29 *technology as provided in subsection 3;*

30 (3) *The name, address and toll-free telephone number of*  
31 *the financer for the purposes of communicating directly with the*  
32 *financer concerning the security interest in the motor vehicle and*  
33 *the extension of credit; and*

34 (4) *That in the event of an emergency, the debtor or lessee,*  
35 *as applicable, will be able to start a disabled vehicle for a*  
36 *minimum of 24 hours.*

37 2. *A financer of a motor vehicle shall provide written notice*  
38 *to the debtor or lessee, as applicable, before using the electronic*  
39 *repossession technology installed in a motor vehicle to disable the*  
40 *motor vehicle. The written notice must be delivered by registered*  
41 *or certified mail, return receipt requested, a minimum of 2 days,*  
42 *excluding Saturdays, Sundays and holidays, before the financer*  
43 *disables the motor vehicle. The notice must include:*

44 (a) *The name, address and telephone number of the financer;*



1 (b) *The amount required to be paid by the debtor or lessee, as*  
2 *applicable, to cure the breach or default; and*

3 (c) *Notice that in the event of an emergency the debtor or*  
4 *lessee, as applicable, will be provided the ability to start the*  
5 *disabled motor vehicle for a period of not less than 24 hours.*

6 3. *The use of electronic repossession technology in a motor*  
7 *vehicle which is financed by a financier is prohibited if:*

8 (a) *Disablement of the motor vehicle will occur while the*  
9 *engine of the motor vehicle is running;*

10 (b) *The electronic repossession technology causes an audible*  
11 *warning which lasts longer than 20 seconds upon starting or*  
12 *shutting off the engine of the motor vehicle;*

13 (c) *The financier has reason to know that the use of the vehicle*  
14 *repossession technology will result in substantial injury or harm to*  
15 *the debtor or lessee, as applicable, the public health, safety or*  
16 *welfare, or will in any way adversely affect any third party; or*

17 (d) *Less than 10 days have lapsed since the default or breach*  
18 *of contract by the debtor or lessee.*

19 4. *A debtor or lessee, as applicable, may not waive any of the*  
20 *provisions of this section.*

21 5. *The failure by a financier to comply with any provision of*  
22 *this section constitutes a deceptive trade practice in violation of*  
23 *NRS 598.0923, and a debtor or lessee, as applicable, may file a*  
24 *claim for relief. In addition to any other remedy available*  
25 *pursuant to NRS 41.600, chapter 598 of NRS or any other*  
26 *provision of law, a debtor or lessee, as applicable, who prevails in*  
27 *an action pursuant to this subsection must be awarded a minimum*  
28 *of \$1,000 as statutory damages, or damages pursuant to*  
29 *subsection 3 of NRS 104.9625, if applicable, whichever is greater.*

30 6. *The Commissioner of Financial Institutions shall*  
31 *prescribe, by regulation, forms for contracts for the use of*  
32 *electronic repossession technology.*

33 7. *As used in this section, unless the context otherwise*  
34 *requires:*

35 (a) *“Electronic repossession technology” means a device that*  
36 *has electrical, digital, magnetic or wireless optical electromagnetic*  
37 *properties or similar capabilities, including, without limitation,*  
38 *electronic tracking technology and starter interrupt technology.*

39 (b) *“Electronic tracking technology” means global positioning*  
40 *satellite or similar technology used to obtain or record the location*  
41 *of a motor vehicle.*

42 (c) *“Financier” means a secured party who finances the sale of*  
43 *a motor vehicle, a lessor who leases a motor vehicle to a lessee or*  
44 *any successor in interest to such a secured party or lessor.*



1 (d) *“Financing contract” means a retail installment contract*  
2 *or lease agreement between a financier and a debtor or lessee, as*  
3 *applicable, for financing the purchase or lease of a motor vehicle.*

4 (e) *“Retail installment contract” has the meaning ascribed to it*  
5 *in NRS 97.105.*

6 (f) *“Secured party” has the meaning ascribed to it in*  
7 *NRS 104.9102.*

8 (g) *“Starter interrupt technology” means technology used to*  
9 *remotely disable the starter of a motor vehicle.*

10 **Sec. 2.** NRS 97.165 is hereby amended to read as follows:

11 97.165 1. Every retail installment contract must be contained  
12 in a single document which must contain the entire agreement of the  
13 parties, including any promissory notes or other evidences of  
14 indebtedness between the parties relating to the transaction, except  
15 as otherwise provided in NRS 97.205 and 97.235, *and section 1 of*  
16 *this act*, but:

17 (a) If the buyer’s obligation to pay the total of payments is  
18 represented by a promissory note secured by a chattel mortgage or  
19 other security agreement, the promissory note may be a separate  
20 instrument if the mortgage or security agreement recites the amount  
21 and terms of payment of that note and the promissory note recites  
22 that it is secured by a mortgage or security agreement.

23 (b) In a transaction involving the repair, alteration or  
24 improvement upon or in connection with real property, the contract  
25 may be secured by a mortgage or deed of trust on the real property  
26 contained in a separate document. Retail sales transactions for home  
27 improvements which are financed or insured by the Federal Housing  
28 Administration are not subject to the provisions of this chapter.

29 (c) *In a transaction involving the purchase of a motor vehicle,*  
30 *the parties may enter into an agreement contained in a separate*  
31 *document authorizing the use of electronic repossession*  
32 *technology in accordance with the provisions of section 1 of this*  
33 *act.*

34 2. The contract must be dated, signed by the retail buyer and  
35 completed as to all essential provisions, except as otherwise  
36 provided in NRS 97.205, 97.215 and 97.235. The printed or typed  
37 portion of the contract, other than instructions for completion, must  
38 be in a size equal to at least 8-point type.

39 3. Any fee charged to the retail buyer for his or her cancellation  
40 of a retail installment contract within 72 hours after its execution is  
41 prohibited unless notice of the fee is clearly set forth in the printed  
42 or typed portion of the contract.

43 4. *As used in this section, “electronic repossession*  
44 *technology” has the meaning ascribed to it in paragraph (a) of*  
45 *subsection 7 of section 1 of this act.*



1       **Sec. 3.** This act becomes effective upon passage and approval  
2 for the purposes of adopting any regulations or performing any  
3 preparatory administrative tasks that are necessary to carry out the  
4 provisions of this act, and on October 1, 2015, for all other  
5 purposes.

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