

**ADOPTED REGULATION OF THE
DEPARTMENT OF MOTOR VEHICLES**

AND PUBLIC SAFETY

LCB File No. R163-97

Effective May 27, 1998

EXPLANATION - Matter in *italics* is new; matter in brackets [] is material to be omitted.

AUTHORITY: §§2-9, NRS 482.36667.

Section 1. Chapter 482 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this regulation.

Sec. 2. *As used in NRS 482.36661 and 482.36662 and sections 6 and 9 of this regulation, the department will interpret the term “defect” to mean an imperfection, weakness or deficiency in a component or system of the engine or drivetrain of a vehicle that prevents or inhibits the engine, drivetrain or component thereof from performing the function for which it was originally designed.*

Sec. 3. *As used in NRS 482.36661, the department will interpret the phrase “reasonably thorough inspection” to mean an inspection of a used vehicle pursuant to section 5 of this regulation in which the used vehicle is driven and inspected visually. The phrase does not include the removal of any components of a used vehicle for the purpose of conducting such an inspection.*

Sec. 4. *As used in NRS 482.36662, the department will interpret the phrase “substantiated complaint” to mean a complaint regarding a used vehicle dealer submitted to the department by a retail customer pursuant to subsection 1 of NRS 482.36664, which the department determines:*

1. Pursuant to subsection 4 of NRS 482.36664, alleges a violation by the used vehicle dealer of NRS 482.36666 to 482.36667, inclusive, or sections 2 to 9, inclusive, of this regulation; and

2. Was not resolved by the used vehicle dealer in the manner recommended by the department pursuant to subsection 4 of NRS 482.36664 or in another manner acceptable to the department or the retail customer who filed the complaint.

Sec. 5. 1. An inspection conducted pursuant to NRS 482.36661 must consist of:

(a) An inspection of the condition of the engine of the vehicle, which must include, without limitation, an examination of the serviceability of:

(1) The gaskets and seals of the engine, conducted by checking visually for damage and leaks.

(2) The block and heads, conducted by checking visually for cracks and leaks.

(3) The oil drain plug and oil pan gasket, conducted by checking visually for leaks.

(4) The oil filter or, if applicable, the oil canister, conducted by checking visually for damage and, if applicable, determining the cause of damage to the filter or canister.

(5) The oil dip stick, conducted by checking visually to determine if the dip stick is damaged, modified or missing.

(6) The vehicle's oil, conducted by checking visually:

(I) The level of the oil; and

(II) Whether the oil is dirty or contaminated.

(7) The belts of the engine, excluding the timing belt, conducted by checking visually and determining that each belt is present and serviceable.

(8) The gauge or warning light for oil pressure, conducted by checking visually and verifying that the gauge or light operates properly.

(9) The crankshaft, connecting rods, camshaft, lifters and pushrods, if so equipped, conducted by driving the vehicle to determine whether the engine knocks or misses during operation.

(b) An inspection of the condition of the drivetrain and components thereof, which must include, without limitation, an examination of the serviceability of:

(1) The transmission and, if applicable, the transfer case, conducted by checking visually:

(I) The level of transmission fluid; and

(II) The visible portion of the housing and, if applicable, the case, for damage, cracks and leaks.

(2) The clutch, if the vehicle has a manual transmission, or the torque converter, if the vehicle has an automatic transmission, conducted by driving the vehicle to determine if:

(I) Shifting is difficult;

(II) The gears slip; or

(III) The clutch or torque converter makes any unusual noises that may be indicative of mechanical problems.

(3) The differential, conducted by driving the vehicle to determine if there is unusual vibration or noise that cannot be accounted for by the normal wear and tear which could reasonably be expected to have occurred to that used vehicle or a used vehicle of similar age and with similar mileage.

(c) An inspection of the overall serviceability of the engine and drivetrain of the vehicle, conducted by driving the vehicle and noting any unusual noise, fumes, smoke or vibration.

2. As used in this section, "contaminated" means containing coolant, fuel, particles of metal or other substances that are not intended to be present within the oil of a motor vehicle.

Sec. 6. *1. An inspection required pursuant to NRS 482.36661 must be conducted by:*

(a) The used vehicle dealer who is selling the vehicle;

(b) A salesman who is:

(1) Employed by the used vehicle dealer; and

(2) Licensed pursuant to NRS 482.362; or

(c) A garageman who is:

(1) Hired by the used vehicle dealer to conduct the inspection and disclosure; and

(2) Registered with the department pursuant to NRS 487.565.

2. The written disclosure required pursuant to NRS 482.36661 must include, without limitation:

(a) Except as otherwise provided in paragraph (c), for each system or component that is required to be inspected pursuant to section 5 of this regulation, a notation indicating clearly whether the system or component is:

(1) In satisfactory condition;

(2) In need of repair; or

(3) In need of replacement.

(b) For each system or component that is designated as being in need of repair or replacement, a description of the defective system or component with particularities sufficient to allow the consumer to comprehend fully the extent of the defect.

(c) If a system or component that is designated as being in need of repair or replacement is subsequently repaired or replaced before the used vehicle is sold at retail, a written notation of the repair or replacement.

(d) The name under which the used vehicle dealer does business.

(e) The address and telephone number of the dealership of the used vehicle dealer.

(f) The occupational license number of the used vehicle dealer.

(g) The year, make, model, vehicle identification number and number of cylinders of the used vehicle, and whether the vehicle is powered by a gas or diesel engine.

(h) The date of inspection of the vehicle.

(i) The printed name, signature and license number or registration number of the person who:

(1) Conducted the inspection; and

(2) Prepared the disclosure.

Sec. 7. *1. Before entering into a contract with a customer for the sale of a used vehicle to which the provisions of NRS 482.3666 to 482.3667, inclusive, apply, a used vehicle dealer or a salesman employed by the used vehicle dealer shall:*

(a) Provide to the customer a copy of the disclosure set forth in subsection 2 of section 6 of this regulation; and

(b) Require the customer to sign a statement in substantially the following form: "I acknowledge that I received the disclosure set forth in subsection 2 of section 6 of this regulation before I signed a contract of sale for the used vehicle described in that disclosure."

2. The used vehicle dealer shall retain for his records pursuant to NRS 482.3263 a fully completed copy of the disclosure provided to the customer pursuant to paragraph (a) of subsection 1.

Sec. 8. *A customer who wishes to submit a complaint pursuant to subsection 1 of NRS 482.36664 relating to the purchase of a used vehicle to which the provisions of NRS 482.3666 to*

482.36667, inclusive, apply, must file the complaint with the department within 30 days after the date of sale of the vehicle, as identified on the dealer's report of sale.

Sec. 9. *To comply with subsection 2 of NRS 482.36662, a used vehicle dealer shall:*

1. Within 5 working days after receipt from a customer of notice that the operation of a vehicle for which a warranty is valid has become impaired as a result of a defect in a component or system of the vehicle's engine or drivetrain, correct the defect or cause the defect to be corrected without charge; or

2. If the defect cannot reasonably be corrected within 5 working days:

(a) Document in writing on a work or service order or equivalent business form:

(1) The nature of the defect;

(2) The work or service necessary to correct the defect or cause the defect to be corrected;

and

(3) The period necessary to correct the defect or cause the defect to be corrected; and

(b) Provide to the customer a copy of the documentation required pursuant to paragraph (a).