

**PROPOSED REGULATION OF THE DEPARTMENT OF  
MOTOR VEHICLES AND PUBLIC SAFETY**

**LCB File No. R163-97**

November 21, 1997

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

AUTHORITY: §§ 1-9, NRS 482.36667 (10, chapter 485, Statutes of Nevada 1997, at page 2216).

**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 the engine or drivetrain from operating in the manner originally intended by the manufacturer.*

**Sec. 3.** *As used in NRS 482.36661, the department will interpret the phrase “reasonably thorough inspection” to mean an inspection that meets the requirements of section 5 of this regulation.*

**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 482.3666 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 by a used vehicle dealer 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 for damage and leaks.

(2) The engine block and cylinder head, including, without limitation, the casting core and expansion plugs, conducted by checking for cracks and leaks.

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

(4) The oil filter or, if applicable, the oil canister, conducted by checking whether the filter or canister needs replacement because it is dirty, damaged or contaminated. If the oil filter or canister is damaged or contaminated, the inspection must determine the cause of damage or contamination.

(5) The oil dip stick, conducted by checking whether the dip stick has been damaged, modified or is incorrect for the vehicle in which it is being used.

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

*(I) The level of oil; and*

*(II) Whether the oil needs to be replaced because it is dirty or contaminated.*

*(7) The belts of the engine, conducted by verifying that all of the belts are present and operable and do not contain any cracks or other damage.*

*(8) The gauge or warning light for oil pressure, conducted by verifying that the gauge or light operates properly. If the gauge or light indicates that the oil pressure is abnormal for the vehicle, the inspection must include a determination of the cause of the indication, including, without limitation, whether:*

*(I) The gauge is malfunctioning;*

*(II) The oil pressure does not meet the specifications established for the vehicle by its manufacturer; or*

*(III) The oil is contaminated.*

*(9) The crankshaft, lifters and pushrods of the engine, conducted by determining whether the engine knocks or misses during operation.*

*(10) The valves and piston rings of the engine, conducted by performing a compression test.*

*(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, conducted by checking:*

*(I) The level of transmission fluid; and*

*(II) The case and housing of the transmission 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.*

*(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 located within the oil, oil filter or oil canister of a motor vehicle.*

**Sec. 6.** *1. An inspection and disclosure 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. An inspection and disclosure conducted pursuant to NRS 482.36661 must be documented in writing on a form prescribed by the department. The form will contain:*

*(a) For each system and component that is required to be inspected pursuant to section 5 of this regulation:*

*(1) A notation of “S” if the system or component is in satisfactory condition; or*

*(2) A notation of “R” if the system or component is in need of repair or 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 which is 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 repaired or replaced before the vehicle is sold, written documentation of the repair or replacement.*

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

*(e) The address and telephone number of the established place of business of the used vehicle dealer.*

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

*(g) The year, make, model, vehicle identification number, number of cylinders and designation of gas or diesel engine of the vehicle that is to be sold.*

*(h) The date of inspection of the vehicle.*

*(i) The printed name and signature of the person who completes the inspection and disclosure. If the person who completes the inspection and disclosure is a salesman or*

*garageman who acts on behalf of a used vehicle dealer pursuant to subsection 1, the printed name and signature must be accompanied by the license number of the salesman or registration number of the garageman.*

*(j) The following statement, accompanied by a space for the signature of the customer to acknowledge agreement with the statement: “I acknowledge that I received this vehicle inspection and disclosure form before I entered into a contract for the purchase of the vehicle identified on the form.”*

**Sec. 7.** *1. Before entering into a contract with a customer for the purchase of a used vehicle to which the provisions of NRS 482.3666 to 482.36667, inclusive, apply, a used vehicle dealer or a salesman employed by the used vehicle dealer shall:*

*(a) Provide to the customer a fully completed copy of the vehicle inspection and disclosure form described in section 6 of this regulation; and*

*(b) Ensure that the customer signs the acknowledgment described in paragraph (j) of subsection 2 of section 6 of this regulation.*

*2. The used vehicle dealer shall retain a fully completed copy of the vehicle inspection and disclosure form that has been acknowledged by the customer for his records for the purposes of NRS 482.3263.*

**Sec. 8.** *A written complaint by a customer pursuant to subsection 1 of NRS 482.36664 regarding the purchase of a used vehicle the odometer of which registers 75,000 miles or more must be filed within 30 days after the customer purchased the vehicle.*

**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 the vehicle 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, provide to the customer written notice of the specific nature of the defect and the period within which the dealer will be able to correct the defect or cause the defect to be corrected without charge.*