

LCB File No. R007-09

**PROPOSED REGULATION OF THE
DIRECTOR OF THE DEPARTMENT OF MOTOR VEHICLES**

(This regulation was previously adopted as T014-08)

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: § 1, NRS 481.051, NRS 482.160, NRS 482.3263, NRS 482.31771 to NRS 482.31776 inclusive.

A REGULATION relating to motor vehicles; defining certain requirements for dealers, rebuilders, manufacturers, distributors and brokers to keep and maintain the books and records of their business transactions and; defining certain requirements for dealers who engage in the consignment of vehicles for sale that are owned by another person.

Section 1. Chapter 482 of NAC is hereby amended by adding thereto a new section to read as follows:

1. In addition to the provisions of chapter 482 of NRS, every licensed dealer and broker in this state shall maintain all books and records associated with every vehicle purchased, taken in trade or otherwise acquired, sold, traded, bartered or disposed of through the operation of a dealership or vehicle brokerage businesses.

2. Books and records include, but are not limited to;

a. Dealer file folders or “jackets” for every vehicle purchased, sold or otherwise transacted through the operation of the dealership or brokerage.

b. Receipts for all vehicles purchased by the dealership.

c. A copy of bills of sale for every vehicle sold by the dealer as part of a wholesale transaction by the dealer.

d A copy of every completed, cancelled, terminated or rescinded contract of retail sale together with a copy of each supporting document applicable to the completed, cancelled, terminated or rescinded contract.

e. The dealer's copy of every Nevada dealer's report of sale issued by the dealer.

f. All copies available of every cancelled Nevada dealer's report of sale.

g, A record or copy of every dealer temporary placard issued by the dealer together with identification of the vehicle and the buyer of the vehicle the placard was assigned to.

1) Identification of the buyer shall include a legible photocopy of the buyer's driver's license or identification card.

h. Copies of all receipts for down payments, vehicle trade- in information, lien holder pay off information and receipts for pay off, due bills, warranties, factory or dealer allowances or rebates made by the dealer as are specific to each vehicle sale transaction made by the dealer.

i. Copies of receipts or contracts for all after market product warranties or vehicle maintenance and other supplemental costs and or fees added to the total sales price of the vehicle sold.

j. The original or a copy of the front and back of the title or certificate of ownership for every vehicle purchased or sold by the dealer.

k. A record of every vehicle floored or financed by the dealer as part of the dealer's inventory to include, but not be limited to;

1) The date the vehicle was floored or financed as part of the dealer's inventory.

2) The name and address of the person or persons, business or businesses flooring or financing the dealer's inventory.

3) *The terms of inventory flooring or financing.*

4) *The date the flooring or financing debt for the vehicle was satisfied.*

1. *Upon receipt of formal notice by the Department, any other record or document the Department deems necessary to be kept and maintained by the dealer or broker.*

3. *A dealer or broker shall maintain all books and records specified by NRS or NAC and shall make them available for inspection by any authorized representative of the Department as specified by NRS for not less than 7 years a the execution of the document or record.*

Section 2. Definitions: “Flooring” defined.

1. *The term “flooring” as used in this section means that portion of a dealer’s vehicle inventory that is owned by another person, financial institution or other lender under any form of contract or agreement that requires the dealer satisfy the financial interest held in an inventory vehicle by the person, financial institution or lender within a specific period of time after the retail sale of that vehicle.*

Section 3. Vehicle consignment contracts:

1. *A dealer also described as a “consignee” of a vehicle shall, upon entering into a consignment contract or other form of agreement to sell a vehicle owned by another person also described as the “consignor” of a vehicle, prepare a formal written consignment contract specifying the terms and conditions of the consignment agreement.*

2. *The formal written consignment agreement shall conform to and contain the information specified in NRS 482.31775.*

3. *A dealer shall not display or offer a vehicle owned by another person for sale until such time as a formal written consignment agreement or the consignment contract described by*

NRS 482.31775 and NRS 482.31776 inclusive; has been executed between the dealer or consignee and vehicle owner or consignor.

Section 4. Definitions:

- 1. "Consignee", has the meaning ascribed to it by NRS 482.31772.*
- 2. "Consignor" means the owner, registered owner or lien holder of a vehicle.*
- 3. "Consignment" has the meaning ascribed to it by NRS 482.31773.*
- 4. "Consignment contract" has the meaning ascribed to it by NRS 482.31774.*