SENATE BILL NO. 491—SENATORS WASHINGTON, DENIS; BROOKS, CANNIZZARO, DONDERO LOOP, RATTI, SPEARMAN AND WOODHOUSE

MARCH 27, 2019

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions concerning salvage vehicles. (BDR 43-135)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

EXPLANATION - Matter in bolded italics is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to salvaged vehicles; authorizing a salvage pool to tow and store certain abandoned vehicles and providing that such a salvage pool has a lien on the vehicle for the costs of towing and storage; revising provisions relating to obtaining a salvage title for a vehicle that is the object of certain insurance settlements; revising provisions relating to the issuance of a salvage title by the Department of Motor Vehicles; revising provisions relating to a lien on certain vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the removal of an abandoned vehicle by the operator of a tow car or an automobile wrecker. The vehicle is to be taken to the nearest garage or other place designated for storage. (NRS 487.230) If the vehicle is appraised as a junk vehicle, the Department of Motor Vehicles may issue a junk certificate to the automobile wrecker or tow operator who removed the vehicle, and the automobile wrecker may process the vehicle for parts or scrap metal. (NRS 487.260) A garage or automobile wrecker to which the abandoned vehicle is removed has a lien on the vehicle for the costs of towing and storage. (NRS 487.270) Sections 1, 3 and 4 of this bill authorize a salvage pool to tow or store such an abandoned vehicle, and to have a lien on the vehicle for the costs of towing and storage. Section 2 of this bill makes a conforming change.

Existing law requires the owner of a motor vehicle who enters into a settlement with an insurance company in which the motor vehicle is determined to be a salvage vehicle, to endorse the certificate of title of the motor vehicle and forward the certificate of title to the insurance company within 30 days after accepting the settlement. The insurance company is required to forward an application for a





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salvage title for the motor vehicle to the Department within 180 days. If the owner of the motor vehicle does not provide the endorsed certificate of title to the insurance company within 30 days, the insurance company must forward an application for a salvage title within 180 days after the expiration of the 30-day period. (NRS 487.800) **Section 5** of this bill instead requires the insurance company, in a case where the owner has not provided the endorsed certificate of title within the 30-day period, to forward an application for a salvage title to the Department as soon as practicable.

Existing law requires the Department to issue a salvage title for a vehicle within 2 days after receiving an application for the salvage title along with certain required information about the vehicle. (NRS 487.810) **Section 6** of this bill prohibits the Department from issuing a salvage title, or entering any notation on a title or any other record pertaining to the vehicle, based on information obtained from or reported to the National Motor Vehicle Title Information System established pursuant to federal law, or any regulations promulgated thereunder. (49 U.S.C. § 30502) **Section 5** applies the same prohibition to the issuing of or entering notations on a nonrepairable vehicle certificate. (NRS 487.800)

Existing law authorizes the Department, when an applicant is unable to satisfy the Department by the submission of various documents that the applicant is entitled to a salvage title, to issue the salvage title if the applicant files a bond with the Department and allows the Department to inspect the vehicle and conduct a search through certain national crime information databases. The bond must be in an amount equal to one and one-half times the value of the vehicle. (NRS 487.820) **Section 7** of this bill revises the amount of the required bond to 25 percent of the value of the vehicle.

Existing law provides that certain persons who store a vehicle at the request of or with the consent of the owner or the owner's representative, or at the direction of law enforcement or certain other authorized persons, has a lien upon the vehicle for the sum due for certain costs, including the towing and storage of the vehicle. Such a person may keep the vehicle until the sum due is paid. (NRS 108.270) **Section 8** of this bill provides that, in the case of a vehicle that has been towed and stored as part of an insurance claim or a charitable donation, the lienholder is not required to obtain or submit a storage agreement signed by the legal owner or registered owner of the vehicle to enforce such a lien.

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

Section 1. NRS 487.230 is hereby amended to read as follows: 487.230 1. Except as otherwise provided in NRS 487.235, any sheriff or designee of a sheriff, constable, member of the Nevada Highway Patrol, officer of the Legislative Police, investigator of the Division of Compliance Enforcement of the Department, personnel of the Capitol Police Division of the Department of Public Safety, designated employees of the Housing Division of the Department of Business and Industry, special investigator employed by the office of a district attorney, marshal or police officer of a city or town or his or her designee, a marshal or park ranger who is part of a unit of specialized law enforcement established pursuant to NRS 280.125, or any other person charged





with the enforcement of county or city ordinances who has reason to believe that a vehicle has been abandoned on public property in his or her jurisdiction may remove the vehicle from that property or cause the vehicle to be removed from that property. At the request of the owner or person in possession or control of private property who has reason to believe that a vehicle has been abandoned on his or her property, the vehicle may be removed by the operator of a tow car, [or] an automobile wrecker or a salvage pool from that private property.

- 2. A person who authorizes the removal of an abandoned vehicle pursuant to subsection 1 shall:
- (a) Have the vehicle taken to the nearest garage, *salvage pool* or other place designated for storage by:
- (1) The state agency or political subdivision making the request if the vehicle is removed from public property.
- (2) The owner or person in possession or control of the property if the vehicle is removed from private property.
- (b) Make all practical inquiries to ascertain if the vehicle is stolen by checking the license plate number, vehicle identification number and other available information which will aid in identifying the registered and legal owner of the vehicle and supply the information to the person who is storing the vehicle.
 - **Sec. 2.** NRS 487.250 is hereby amended to read as follows:
- 487.250 1. The state agency or political subdivision shall, within 48 hours after the appraisal, notify the head of the state agency of the removal of the vehicle. The notice must contain:
 - (a) A description of the vehicle.
 - (b) The appraised value of the vehicle.
- (c) A statement as to whether the vehicle will be junked, dismantled or otherwise disposed of.
- 2. The person who removed the vehicle must notify the registered owner and any person having a security interest in the vehicle by registered or certified mail that the vehicle has been removed and will be junked or dismantled or otherwise disposed of unless the registered owner or the person having a security interest in the vehicle responds and pays the costs of removal.
- 3. Failure to reclaim within 15 days after notification a vehicle appraised at \$500 or less constitutes a waiver of interest in the vehicle by any person having an interest in the vehicle.
- 4. If all recorded interests in a vehicle appraised at \$500 or less are waived, either as provided in subsection 3 or by written disclaimer by any person having an interest in the vehicle, the state agency, except as otherwise provided in subsection 3 of NRS 487.100, shall issue a salvage title pursuant to NRS 487.810 to the automobile wrecker *or salvage pool* who towed the vehicle or to





whom the vehicle may have been delivered, or a certificate of title to the garage owner if the garage owner elects to retain the vehicle and the vehicle is equipped as required by chapter 484D of NRS.

Sec. 3. NRS 487.260 is hereby amended to read as follows:

487.260 1. If the vehicle is appraised at a value of more than \$500, the state agency or political subdivision shall dispose of it as provided in NRS 487.270.

- 2. If the vehicle is appraised as a junk vehicle, the Department may issue a junk certificate to the automobile wrecker, *salvage pool* or tow operator who removed the vehicle.
- 3. An automobile wrecker who possesses a junk certificate for a junk vehicle may process the vehicle for parts or scrap metal pursuant to NRS 487.105.
- 4. A vehicle for which a junk certificate has been issued may be sold to an automobile wrecker by the person to whom the junk certificate was issued by the seller's endorsement on the certificate. Except as otherwise provided in subsection 3 of NRS 487.100, an automobile wrecker who purchases a vehicle for which a junk certificate has been issued shall immediately affix the business name of the automobile wrecker as purchaser to the first available space provided on the reverse side of the certificate. For the purposes of this subsection, such an automobile wrecker is the owner of the junk vehicle.
- 5. If insufficient space exists on the reverse side of a junk certificate to transfer the vehicle pursuant to subsection 4, except as otherwise provided in subsection 3 of NRS 487.100, an automobile wrecker who purchases a junk vehicle for which a junk certificate has been previously issued shall, within 10 days after purchase, apply to the Department for a new junk certificate and surrender the original certificate.
- 6. A person who sells a junk vehicle shall maintain, for at least 2 years, a copy of the junk certificate and a record of the name and address of the person from whom the vehicle was acquired and the date thereof. The person shall allow any peace officer or any investigator employed by a state agency to inspect the records during business hours.
- 7. An automobile wrecker who processes a junk vehicle for parts or scrap metal shall maintain records as required by NRS 487.170.
- 8. As used in this section, "junk vehicle" means a vehicle, including component parts, which:
 - (a) Has been discarded or abandoned;
- (b) Has been ruined, wrecked, dismantled or rendered inoperative;





- (c) Is unfit for further use in accordance with the original purpose for which it was constructed;
- (d) Is not registered with the Department or has not been reclaimed by the registered owner or a person having a security interest in the vehicle within 15 days after notification pursuant to NRS 487.250; and
 - (e) Has value principally as scrap which does not exceed \$200.
 - Sec. 4. NRS 487.270 is hereby amended to read as follows:
- 487.270 1. Whenever a vehicle has been removed to a garage, *salvage pool* or other place as provided by NRS 487.230, the owner of the garage, [or] the automobile wrecker *or the salvage pool* who towed the vehicle has a lien on the vehicle for:
- (a) The costs of towing and storing for a period not exceeding 90 days; and
- (b) If the vehicle was removed from public property at the request of a constable, the fee described in paragraph (d) of subsection 2 of NRS 258.125.
- 2. If the vehicle is appraised at a value of \$500 or less and is not reclaimed within the period prescribed in NRS 487.250, the owner of the garage, [or] automobile wrecker or salvage pool may satisfy his or her lien by retaining the vehicle and obtaining a certificate pursuant to NRS 487.880, if applicable, or a salvage title as provided in NRS 487.810.
- 3. If the vehicle is appraised at a value of more than \$500 and is not reclaimed within 45 days, the owner of the garage, [or] automobile wrecker or salvage pool may satisfy his or her lien, in accordance with the provisions of NRS 108.265 to 108.367, inclusive. Before such a person may sell the vehicle, the person shall obtain a certificate pursuant to NRS 487.880, if applicable, or a salvage title as provided in NRS 487.810.
- 4. If the vehicle was removed from public property at the request of a constable and the owner of the garage, [or] automobile wrecker or salvage pool satisfies his or her lien pursuant to subsection 2 or 3, the owner of the garage, [or] automobile wrecker or salvage pool shall transmit to the constable the fee described in paragraph (d) of subsection 2 of NRS 258.125.
 - Sec. 5. NRS 487.800 is hereby amended to read as follows:
- 487.800 1. When an insurance company acquires a motor vehicle as a result of a settlement in which the motor vehicle is determined to be a salvage vehicle, the owner of the motor vehicle who is relinquishing ownership of the motor vehicle shall endorse the certificate of title of the motor vehicle and forward the endorsed certificate of title to the insurance company within 30 days after accepting the settlement from the insurance company. [The] Except as otherwise provided in subsection 2, the insurance company or its





authorized agent shall forward the endorsed certificate of title, together with an application for a salvage title or nonrepairable vehicle certificate, to the state agency within 180 days after receipt of the endorsed certificate of title.

- 2. If the owner of the motor vehicle who is relinquishing ownership does not provide the endorsed certificate of title to the insurance company within 30 days after accepting the settlement pursuant to subsection 1, the insurance company shall, [within 180 days after the expiration of that 30 day period,] as soon as practicable, forward an application for a salvage title or nonrepairable vehicle certificate to the state agency. [The] Except as otherwise provided in subsection 10, the state agency shall issue a salvage title or nonrepairable vehicle certificate to the insurance company for the vehicle upon receipt of:
 - (a) The application;

- (b) A motor vehicle inspection certificate signed by a representative of the Department or, as one of the authorized agents of the Department, by a peace officer, dealer, rebuilder, automobile wrecker, operator of a salvage pool or garage operator;
- (c) Documentation that the insurance company has made at least two written attempts by certified mail, return receipt requested, or by use of a delivery service with a tracking system, to obtain the endorsed certificate of title; and
- (d) Proof satisfactory to the state agency that the certificate of title was required to be surrendered to the insurance company as part of the settlement.
- 3. Except as otherwise provided in subsections 1 and 2, before any ownership interest in a salvage vehicle, except a nonrepairable vehicle, may be transferred, the owner or other person to whom the motor vehicle is titled:
- (a) If the person has possession of the certificate of title to the vehicle, shall forward the endorsed certificate of title, together with an application for salvage title to the state agency within 30 days after the vehicle becomes a salvage vehicle.
- (b) If the person does not have possession of the certificate of title to the vehicle and the certificate of title is held by a lienholder, shall notify the lienholder within 10 days after the vehicle becomes a salvage vehicle that the vehicle has become a salvage vehicle. The lienholder shall, within 30 days after receiving such notice, forward the certificate of title, together with an application for salvage title, to the state agency.
- 4. An insurance company or its authorized agent may sell a vehicle for which a total loss settlement has been made with the properly endorsed certificate of title if the total loss settlement





resulted from the theft of the vehicle and the vehicle, when recovered, was not a salvage vehicle.

- 5. An owner who has determined that a vehicle is a total loss salvage vehicle may sell the vehicle with the properly endorsed certificate of title obtained pursuant to this section, without making any repairs to the vehicle, to a salvage pool, automobile auction, rebuilder, automobile wrecker or a new or used motor vehicle dealer.
- 6. Except with respect to a nonrepairable vehicle, if a salvage vehicle is rebuilt and restored to operation, the vehicle may not be licensed for operation, displayed or offered for sale, or the ownership thereof transferred, until there is submitted to the state agency with the prescribed salvage title, an appropriate application, other documents, including, without limitation, an affidavit from the state agency attesting to the inspection and verification of the vehicle identification number and the identification numbers, if any, for parts used to repair the motor vehicle and fees required, together with a certificate of inspection completed pursuant to NRS 487.860.
- 7. Except with respect to a nonrepairable vehicle, if a total loss insurance settlement between an insurance company and any person results in the retention of the salvage vehicle by that person, before the execution of the total loss settlement, the insurance company or its authorized agent shall:
- (a) Obtain, upon an application for salvage title, the signature of the person who is retaining the salvage vehicle;
- (b) Append to the application for salvage title the certificate of title to the motor vehicle or an affidavit stating that the original certificate of title has been lost; and
- (c) Apply to the state agency for a salvage title on behalf of the person who is retaining the salvage vehicle.
- 8. If the state agency determines that a salvage vehicle retained pursuant to subsection 6 is titled in another state or territory of the United States, the state agency shall notify the appropriate authority of that state or territory that the owner has retained the salvage vehicle.
- 9. A person who retains a salvage vehicle pursuant to subsection 7 may not transfer any ownership interest in the vehicle unless he or she has received a salvage title.
- 10. The Department shall not issue a nonrepairable vehicle certificate, or enter any notation on a title or any record pertaining to a vehicle, based on information obtained from or reported to the National Motor Vehicle Title Information System established pursuant to 49 U.S.C. § 30502, and any regulations promulgated thereunder.





- **Sec. 6.** NRS 487.810 is hereby amended to read as follows:
- 487.810 1. The state agency may issue a salvage title for a vehicle, which contains a brief description of the vehicle, including, insofar as data may exist with respect to the vehicle, the make, type, serial number and motor number, or any other number of the vehicle, upon application, to:
 - (a) The owner of the vehicle;

- (b) The person to whom the vehicle is titled;
- (c) An insurance company that acquires the vehicle as a salvage vehicle pursuant to subsection 1 of NRS 487.800; or
 - (d) A lienholder who acquires title to the vehicle.
- 2. A properly endorsed title, together with a disclosure of mileage, as required pursuant to the provisions of 49 U.S.C. §§ 32701 et seq. and 49 C.F.R. § 580.5, must be submitted with the application for salvage title.
- 3. [Within] Except as otherwise provided in subsection 7, within 2 days after receiving all necessary documents, the state agency shall issue a salvage title for the vehicle.
- 4. Except as otherwise provided in this subsection, the state agency shall charge and collect a fee of \$10 for the issuance of a salvage title pursuant to this section. The state agency shall not charge a fee for the issuance of a salvage title to an automobile wrecker licensed in this State. Fees collected by the state agency pursuant to this subsection must be deposited with the State Treasurer for credit to the Revolving Account for the Issuance of Salvage Titles created by NRS 487.825.
- 5. Ownership interest in a salvage vehicle may not be transferred unless a salvage title has been issued by the state agency for the vehicle.
- 6. Possession of a salvage title does not entitle a person to dismantle, scrap, process or wreck any vehicle in this State unless the person holds a license issued pursuant to NRS 487.050.
 - 7. The Department shall not [issue]:
 - (a) Issue a salvage title for a nonrepairable vehicle.
- (b) Issue a salvage title, or enter any notation on a title or any record pertaining to a vehicle,
- → based on information obtained from or reported to the National Motor Vehicle Title Information System established pursuant to 49 U.S.C. § 30502, and any regulations promulgated thereunder.
 - **Sec. 7.** NRS 487.820 is hereby amended to read as follows:
- 487.820 1. Except as otherwise provided in subsection 2 of NRS 487.800, if the applicant for a salvage title is unable to furnish the certificates of title and registration last issued for the vehicle, the state agency may accept the application, examine the circumstances of the case and require the filing of suitable affidavits or other





information or documents. If satisfied that the applicant is entitled to a salvage title, the state agency may issue the salvage title.

- 2. No duplicate certificate of title or registration may be issued when a salvage title is applied for, and no fees are required for the affidavits of any stolen, lost or damaged certificate, or duplicates thereof, unless the vehicle is subsequently registered.
- 3. If an applicant is unable to satisfy the state agency that the applicant is entitled to a salvage title pursuant to subsection 1, the applicant may obtain a salvage title from the state agency by:
- (a) Filing a bond with the state agency that meets the requirements of subsection 5;
- (b) Allowing the state agency to inspect the vehicle to verify the vehicle identification number and the identification numbers, if any, for parts used to repair the vehicle; and
- (c) Authorizing the state agency to conduct a search through any national crime information system, including, without limitation, the:
- (1) National Crime Information Center, as defined in NRS 179A.061; and
- (2) National Motor Vehicle Title Information System of the United States Department of Justice.
- 4. Any person damaged by the issuance of the salvage title pursuant to subsection 3 has a right of action to recover on the bond for any breach of its conditions, except the aggregate liability of the surety to all persons must not exceed the amount of the bond. The state agency shall return the bond, and any deposit accompanying it, 3 years after the bond was filed with the state agency, except that the state agency must not return the bond if the state agency has been notified of the pendency of an action to recover on the bond.
 - 5. The bond required pursuant to subsection 3 must be:
 - (a) In a form prescribed by the state agency;
- (b) Executed by the applicant as principal and by a corporation qualified under the laws of this State as surety;
- (c) In an amount equal to [one and one half times] 25 percent of the value of the vehicle, as determined by the state agency; and
 - (d) Conditioned to indemnify any:
- (1) Prior owner or lienholder of the vehicle, and his or her successors in interest;
- (2) Subsequent purchaser of the vehicle, and his or her successors in interest; or
- (3) Person acquiring a security interest in the vehicle, and his or her successors in interest,
- → against any expense, loss or damage because of the issuance of the salvage title or because of any defect in or undisclosed security





interest in the applicant's right or title to the vehicle or the applicant's interest in the vehicle.

- 6. A right of action does not exist in favor of any person by reason of any action or failure to act on the part of the state agency or any officer or employee thereof in carrying out the provisions of subsections 3, 4 and 5, or in giving or failing to give any information concerning the legal ownership of a vehicle or the existence of a salvage title obtained pursuant to subsection 3.
 - Sec. 8. NRS 108.270 is hereby amended to read as follows:

108.270 Subject to the provisions of NRS 108.315:

- 1. A person engaged in the business of:
- (a) Buying or selling automobiles;

- (b) Keeping a garage or place for the storage, maintenance, keeping or repair of motor vehicles, motorcycles, motor equipment, trailers, mobile homes or manufactured homes, including the operator of a salvage pool; or
- (c) Keeping a mobile home park, mobile home lot or other land for rental of spaces for trailers, mobile homes or manufactured homes,
- → and who in connection therewith stores, maintains, keeps or repairs any motor vehicle, motorcycle, motor equipment, trailer, mobile home or manufactured home, or furnishes accessories, facilities, services or supplies therefor, at the request or with the consent of the owner or the owner's representatives, or at the direction of any peace officer or other authorized person who orders the towing or storage of any vehicle through any action permitted by law, has a lien upon the motor vehicle, motorcycle, motor equipment, trailer, mobile home or manufactured home or any part or parts thereof for the sum due for the towing, storing, maintaining, keeping or repairing of the motor vehicle, motorcycle, motor equipment, trailer, mobile home or manufactured home or for labor furnished thereon, or for furnishing accessories, facilities, services or supplies therefor, and for all costs incurred in enforcing such a lien.
- 2. A person engaged in the business of keeping a recreational vehicle park who, at the request or with the consent of the owner of a recreational vehicle or the owner's representative, furnishes facilities or services in the recreational vehicle park for the recreational vehicle, has a lien upon the recreational vehicle for the amount of rent due for furnishing those facilities and services, and for all costs incurred in enforcing such a lien.
- 3. A person who at the request of the legal owner performed labor on, furnished materials or supplies or provided storage for any aircraft, aircraft equipment or aircraft parts is entitled to a lien for





such services, materials or supplies and for the costs incurred in enforcing the lien.

- 4. A person who owns private property on which a recreational vehicle is abandoned has a lien upon the recreational vehicle for the amount of rent due for the use of the private property to store the recreational vehicle and for the costs incurred in enforcing the lien.
- 5. Any person who is entitled to a lien as provided in subsections 1 to 4, inclusive, may, without process of law, detain the motor vehicle, motorcycle, motor equipment, trailer, recreational vehicle, mobile home, manufactured home, aircraft, aircraft equipment or aircraft parts at any time it is lawfully in the person's possession until the sum due is paid.
- 6. This section shall not be construed to require a lienholder to obtain or submit a storage agreement signed by the legal owner or the registered owner of a vehicle to enforce a lien in the case of storage of a vehicle which is based on:
 - (a) An insurance claim; or

- (b) A charitable donation.
- 7. As used in this section, "private property" means any property not owned by a governmental entity or devoted to public use.
 - **Sec. 9.** This act becomes effective on July 1, 2019.





